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***CICERO PUBLIC SCHOOL DISTRICT NO. 99  
CICERO, ILLINOIS***

***ANNUAL FINANCIAL REPORT***

***JUNE 30, 2018***

**eder, casella & co.**

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## INDEPENDENT AUDITOR'S OPINION

To the Board of Education  
Cicero Public School District No. 99  
Cicero, Illinois

We have audited the accompanying basic financial statements of

Cicero Public School District No. 99

as of and for the year ended June 30, 2018, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Illinois State Board of Education as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1, the financial statements are prepared by Cicero Public School District No. 99 on the basis of the financial reporting provisions of the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United

States of America to meet the requirements of Illinois State Board of Education. Also as described in Note 1, Cicero Public School District No. 99 prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Cicero Public School District No. 99 as of June 30, 2018, or changes in financial position for the year then ended.

### **Unmodified Opinion on Regulatory Cash Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Cicero Public School District No. 99 as of June 30, 2018, and the revenues it received and expenditures it paid for the year then ended, in accordance with the financial reporting provisions of the Illinois State Board of Education as described in Note 1.

### **Change in Accounting Principle**

As described in Note 19 to the financial statements, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No 85, *Omnibus 2017*. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Cicero Public School District No. 99’s basic financial statements. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Such information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the average daily attendance figure included in the computation of operating expense per pupil and per capita tuition charges, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information and Schedule of Expenditures of

Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole, on the basis of accounting described in Note 1.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2018 on our consideration of Cicero Public School District No. 99's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Cicero Public School District No. 99's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cicero Public School District No. 99's internal control over financial reporting and compliance.

### **Restriction on Use**

This report is intended solely for the information and use of management, the Board of Education, others within the District, and the Illinois State Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

*Eder, Casella & Co.*

EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
December 5, 2018

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education  
Cicero Public School District No. 99  
Cicero, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

Cicero Public School District No. 99

as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Cicero Public School District No. 99's basic financial statements, and have issued our report thereon dated December 5, 2018. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cicero Public School District No. 99's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cicero Public School District No. 99's internal control. Accordingly, we do not express an opinion on the effectiveness of Cicero Public School District No. 99's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cicero Public School District No. 99's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Eder, Casella & Co.*

EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
December 5, 2018

## BASIC FINANCIAL STATEMENTS

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS  
ALL FUNDS AND ACCOUNT GROUPS  
AT JUNE 30, 2018

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 4,576,196	\$ 11,995,443	\$ 4,234,162	\$ 5,442,141	\$ 3,421,979	\$ 2,041,910
Investments	129,051,998	-	-	-	-	26,590,696
Prepaid Items	626,998	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-
Capital Assets						
Land	-	-	-	-	-	-
Building and Building Improvements	-	-	-	-	-	-
Site Improvements and Infrastructure	-	-	-	-	-	-
Capitalized Equipment	-	-	-	-	-	-
Construction in Progress	-	-	-	-	-	-
Amount Available in Debt Services Fund	-	-	-	-	-	-
Amount to Be Provided for Payment of Long-Term Debt	-	-	-	-	-	-
Total Assets	<u>\$ 134,255,192</u>	<u>\$ 11,995,443</u>	<u>\$ 4,234,162</u>	<u>\$ 5,442,141</u>	<u>\$ 3,421,979</u>	<u>\$ 28,632,606</u>
<u>LIABILITIES AND FUND BALANCE</u>						
LIABILITIES						
Long-Term Liabilities						
Long-Term Debt Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE						
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance						
Unreserved						
Undesignated	134,255,192	11,995,443	4,234,162	5,442,141	3,421,979	28,632,606
Total Fund Balance	<u>\$ 134,255,192</u>	<u>\$ 11,995,443</u>	<u>\$ 4,234,162</u>	<u>\$ 5,442,141</u>	<u>\$ 3,421,979</u>	<u>\$ 28,632,606</u>
Total Liabilities and Fund Balance	<u>\$ 134,255,192</u>	<u>\$ 11,995,443</u>	<u>\$ 4,234,162</u>	<u>\$ 5,442,141</u>	<u>\$ 3,421,979</u>	<u>\$ 28,632,606</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS  
ALL FUNDS AND ACCOUNT GROUPS  
AT JUNE 30, 2018

	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 5,249,800	\$ 3,003,742	\$ 1,223,088	\$ -	\$ -	\$ 41,188,461
Investments	-	-	-	-	-	155,642,694
Prepaid Items	-	-	-	-	-	626,998
Other Current Assets	-	-	-	-	-	-
Capital Assets						
Land	-	-	-	11,381,551	-	11,381,551
Building and Building Improvements	-	-	-	236,490,995	-	236,490,995
Site Improvements and Infrastructure	-	-	-	4,345,099	-	4,345,099
Capitalized Equipment	-	-	-	28,620,407	-	28,620,407
Construction in Progress	-	-	-	28,115,860	-	28,115,860
Amount Available in Debt Services Fund	-	-	-	-	4,234,162	4,234,162
Amount to Be Provided for Payment of Long-Term Debt	-	-	-	-	48,089,960	48,089,960
Total Assets	<u>\$ 5,249,800</u>	<u>\$ 3,003,742</u>	<u>\$ 1,223,088</u>	<u>\$ 308,953,912</u>	<u>\$ 52,324,122</u>	<u>\$ 558,736,187</u>
<u>LIABILITIES AND FUND BALANCE</u>						
LIABILITIES						
Long-Term Liabilities						
Long-Term Debt Payable	\$ -	\$ -	\$ -	\$ -	\$ 52,324,122	\$ 52,324,122
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,324,122</u>	<u>\$ 52,324,122</u>
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,324,122</u>	<u>\$ 52,324,122</u>
FUND BALANCE						
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ 308,953,912	\$ -	\$ 308,953,912
Fund Balance						
Unreserved						
Undesignated	5,249,800	3,003,742	1,223,088	-	-	197,458,153
Total Fund Balance	<u>\$ 5,249,800</u>	<u>\$ 3,003,742</u>	<u>\$ 1,223,088</u>	<u>\$ 308,953,912</u>	<u>\$ -</u>	<u>\$ 506,412,065</u>
Total Liabilities and Fund Balance	<u>\$ 5,249,800</u>	<u>\$ 3,003,742</u>	<u>\$ 1,223,088</u>	<u>\$ 308,953,912</u>	<u>\$ 52,324,122</u>	<u>\$ 558,736,187</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF REVENUE RECEIVED, EXPENDITURES DISBURSED, OTHER  
FINANCING SOURCES (USES), AND CHANGES IN FUND BALANCES -  
ALL FUNDS EXCEPT AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY
REVENUE RECEIVED					
Local Sources	\$ 14,641,444	\$ 4,270,580	\$ 5,769,965	\$ 980,164	\$ 4,025,070
State Sources	111,142,766	8,000,000	-	3,698,253	-
Federal Sources	18,565,569	-	1,490,725	-	-
On-Behalf Payments	49,273,942	-	-	-	-
	<u>\$ 193,623,721</u>	<u>\$ 12,270,580</u>	<u>\$ 7,260,690</u>	<u>\$ 4,678,417</u>	<u>\$ 4,025,070</u>
EXPENDITURES DISBURSED					
Instruction	\$ 79,349,127	\$ -	\$ -	\$ -	\$ 1,410,320
Support Services	45,011,676	10,279,205	-	4,617,334	2,870,773
Community Services	564,496	-	-	-	9,534
Payments to Other Districts and Governmental Units	615,876	-	-	-	-
Debt Services	-	-	7,699,645	-	-
On-Behalf Payments	49,273,942	-	-	-	-
	<u>\$ 174,815,117</u>	<u>\$ 10,279,205</u>	<u>\$ 7,699,645</u>	<u>\$ 4,617,334</u>	<u>\$ 4,290,627</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	<u>\$ 18,808,604</u>	<u>\$ 1,991,375</u>	<u>\$ (438,955)</u>	<u>\$ 61,083</u>	<u>\$ (265,557)</u>
OTHER FINANCING SOURCES (USES)					
Transfer to Debt Service to Pay Principal on Capital Leases	\$ (135,000)	\$ -	\$ 135,000	\$ -	\$ -
Transfer to Capital Projects Fund	(7,000,000)	-	-	-	-
Interfund Transfers	-	-	-	-	25,000
	<u>\$ (7,135,000)</u>	<u>\$ -</u>	<u>\$ 135,000</u>	<u>\$ -</u>	<u>\$ 25,000</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	<u>\$ 11,673,604</u>	<u>\$ 1,991,375</u>	<u>\$ (303,955)</u>	<u>\$ 61,083</u>	<u>\$ (240,557)</u>
FUND BALANCE - JULY 1, 2017	<u>122,581,588</u>	<u>10,004,068</u>	<u>4,538,117</u>	<u>5,381,058</u>	<u>3,662,536</u>
FUND BALANCE - JUNE 30, 2018	<u>\$ 134,255,192</u>	<u>\$ 11,995,443</u>	<u>\$ 4,234,162</u>	<u>\$ 5,442,141</u>	<u>\$ 3,421,979</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF REVENUE RECEIVED, EXPENDITURES DISBURSED, OTHER  
FINANCING SOURCES (USES), AND CHANGES IN FUND BALANCES -  
ALL FUNDS EXCEPT AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED					
Local Sources	\$ 998,519	\$ 69,074	\$ 1,506,628	\$ 39,921	\$ 32,301,365
State Sources	-	-	-	-	122,841,019
Federal Sources	-	-	-	-	20,056,294
On-Behalf Payments	-	-	-	-	49,273,942
	<u>\$ 998,519</u>	<u>\$ 69,074</u>	<u>\$ 1,506,628</u>	<u>\$ 39,921</u>	<u>\$ 224,472,620</u>
EXPENDITURES DISBURSED					
Instruction	\$ -	\$ -	\$ -	\$ -	\$ 80,759,447
Support Services	12,216,616	-	1,661,506	13,033	76,670,143
Community Services	-	-	-	-	574,030
Payments to Other Districts and Governmental Units	-	-	-	-	615,876
Debt Services	-	-	-	-	7,699,645
On-Behalf Payments	-	-	-	-	49,273,942
	<u>\$ 12,216,616</u>	<u>\$ -</u>	<u>\$ 1,661,506</u>	<u>\$ 13,033</u>	<u>\$ 215,593,083</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	<u>\$ (11,218,097)</u>	<u>\$ 69,074</u>	<u>\$ (154,878)</u>	<u>\$ 26,888</u>	<u>\$ 8,879,537</u>
OTHER FINANCING SOURCES (USES)					
Transfer to Debt Service to Pay Principal on Capital Leases	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Capital Projects Fund	7,000,000	-	-	-	-
Interfund Transfers	-	(25,000)	-	-	-
	<u>\$ 7,000,000</u>	<u>\$ (25,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	<u>\$ (4,218,097)</u>	<u>\$ 44,074</u>	<u>\$ (154,878)</u>	<u>\$ 26,888</u>	<u>\$ 8,879,537</u>
FUND BALANCE - JULY 1, 2017	<u>32,850,703</u>	<u>5,205,726</u>	<u>3,158,620</u>	<u>1,196,200</u>	<u>188,578,616</u>
FUND BALANCE - JUNE 30, 2018	<u>\$ 28,632,606</u>	<u>\$ 5,249,800</u>	<u>\$ 3,003,742</u>	<u>\$ 1,223,088</u>	<u>\$ 197,458,153</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF REVENUE RECEIVED  
ALL FUNDS EXCEPT AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY
REVENUE RECEIVED					
Local Sources					
Ad Valorem Taxes Levied					
Designated Purpose Levies	\$ 10,781,267	\$ 2,764,334	\$ 5,709,923	\$ 838,443	\$ 1,404,321
Leasing Purposes Levy	22,369	-	-	-	-
Special Education Purposes Levy	22,627	-	-	-	-
FICA/Medicare Only Purposes Levy	-	-	-	-	1,355,387
Payments in Lieu of Taxes					
Corporate Personal Property Replacement Taxes	1,487,882	1,309,496	-	-	1,216,926
Transportation Fees					
Regular Trans. Fees from Other Districts (In State)	-	-	-	61,943	-
Interest on Investments	1,621,166	132,294	60,042	71,076	48,436
Gain or Loss on Sale of Investments	(233)	-	-	-	-
Food Service					
Sales to Pupils - Lunch	14	-	-	-	-
Sales to Adults	431	-	-	-	-
District/School Activity Income					
Fees	59,747	-	-	-	-
Book Store Sales	3,585	-	-	-	-
Textbooks					
Other	4,097	-	-	-	-
Rentals	-	19,098	-	-	-
Contributions and Donations from Private Sources	25,557	-	-	-	-
Refund of Prior Years' Expenditures	509,679	12,256	-	3,872	-
Other Local Revenues	103,256	33,102	-	4,830	-
Total Local Sources	<u>\$ 14,641,444</u>	<u>\$ 4,270,580</u>	<u>\$ 5,769,965</u>	<u>\$ 980,164</u>	<u>\$ 4,025,070</u>
State Sources					
Unrestricted Grants-In-Aid					
General State Aid - Sec. 18-8	\$ 101,760,121	\$ 8,000,000	\$ -	\$ -	\$ -
Restricted Grants-In-Aid					
Special Education					
Private Facility Tuition	1,441,147	-	-	-	-
Extraordinary	949,944	-	-	-	-
Personnel	1,259,636	-	-	-	-
Summer School	189,739	-	-	-	-
Career & Technical Education (CTE)					
Secondary Program Improvement	9,107	-	-	-	-
Bilingual Education					
Downstate - TPI & TBE	3,401,249	-	-	-	-
State Free Lunch and Breakfast	125,609	-	-	-	-
Transportation					
Regular/Vocational	-	-	-	905,353	-
Special Education	-	-	-	2,792,900	-
Early Childhood - Block Grant	1,931,250	-	-	-	-
Other Restricted Revenue from State Sources	74,964	-	-	-	-
Total State Sources	<u>\$ 111,142,766</u>	<u>\$ 8,000,000</u>	<u>\$ -</u>	<u>\$ 3,698,253</u>	<u>\$ -</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF REVENUE RECEIVED  
ALL FUNDS EXCEPT AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY
REVENUE RECEIVED (Continued)					
Federal Sources					
Restricted Grants-In-Aid Received Directly from the					
Federal Government through the State					
Food Service					
National School Lunch Program	\$ 5,229,506	\$ -	\$ -	\$ -	\$ -
School Breakfast Program	2,200,973	-	-	-	-
Title I					
Low Income	5,662,630	-	-	-	-
Title IV					
Safe and Drug Free Schools - Formula	17,124	-	-	-	-
Federal - Special Education					
Preschool - Flow Through	165,846	-	-	-	-
IDEA - Flow Through/Low Incidence	2,546,108	-	-	-	-
IDEA - Room and Board	1,816	-	-	-	-
Qualified School Construction Bond Credits	-	-	1,099,072	-	-
Build America Bond Interest Reimbursement	-	-	391,653	-	-
Emergency Immigrant Assistance	22,597	-	-	-	-
Title III - English Language Acquisition	812,634	-	-	-	-
Title II - Teacher Quality	621,229	-	-	-	-
Medicaid Matching Funds - Administrative Outreach	349,968	-	-	-	-
Medicaid Matching Funds - Fee-For-Service Program	935,138	-	-	-	-
Total Federal Sources	<u>\$ 18,565,569</u>	<u>\$ -</u>	<u>\$ 1,490,725</u>	<u>\$ -</u>	<u>\$ -</u>
Total Direct Revenue	<u>\$ 144,349,779</u>	<u>\$ 12,270,580</u>	<u>\$ 7,260,690</u>	<u>\$ 4,678,417</u>	<u>\$ 4,025,070</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF REVENUE RECEIVED  
ALL FUNDS EXCEPT AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED					
Local Sources					
Ad Valorem Taxes Levied					
Designated Purpose Levies	\$ -	\$ 233	\$ 1,464,858	\$ 24,102	\$ 22,987,481
Leasing Purposes Levy	-	-	-	-	22,369
Special Education Purposes Levy	-	-	-	-	22,627
FICA/Medicare Only Purposes Levy	-	-	-	-	1,355,387
Payments in Lieu of Taxes					
Corporate Personal Property Replacement Taxes	-	-	-	-	4,014,304
Transportation Fees					
Regular Trans. Fees from Other Districts (In State)	-	-	-	-	61,943
Interest on Investments	998,519	68,841	41,770	15,819	3,057,963
Gain or Loss on Sale of Investments	-	-	-	-	(233)
Food Service					
Sales to Pupils - Lunch	-	-	-	-	14
Sales to Adults	-	-	-	-	431
District/School Activity Income					
Fees	-	-	-	-	59,747
Book Store Sales	-	-	-	-	3,585
Textbooks					
Other	-	-	-	-	4,097
Rentals	-	-	-	-	19,098
Contributions and Donations from Private Sources	-	-	-	-	25,557
Refund of Prior Years' Expenditures	-	-	-	-	525,807
Other Local Revenues	-	-	-	-	141,188
Total Local Sources	\$ 998,519	\$ 69,074	\$ 1,506,628	\$ 39,921	\$ 32,301,365
State Sources					
Unrestricted Grants-In-Aid					
General State Aid - Sec. 18-8	\$ -	\$ -	\$ -	\$ -	\$ 109,760,121
Restricted Grants-In-Aid					
Special Education					
Private Facility Tuition	-	-	-	-	1,441,147
Extraordinary	-	-	-	-	949,944
Personnel	-	-	-	-	1,259,636
Summer School	-	-	-	-	189,739
Career & Technical Education (CTE)					
Secondary Program Improvement	-	-	-	-	9,107
Bilingual Education					
Downstate - TPI & TBE	-	-	-	-	3,401,249
State Free Lunch and Breakfast	-	-	-	-	125,609
Transportation					
Regular/Vocational	-	-	-	-	905,353
Special Education	-	-	-	-	2,792,900
Early Childhood - Block Grant	-	-	-	-	1,931,250
Other Restricted Revenue from State Sources	-	-	-	-	74,964
Total State Sources	\$ -	\$ -	\$ -	\$ -	\$ 122,841,019

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF REVENUE RECEIVED  
ALL FUNDS EXCEPT AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED (Continued)					
Federal Sources					
Restricted Grants-In-Aid Received Directly from the					
Federal Government through the State					
Food Service					
National School Lunch Program	\$ -	\$ -	\$ -	\$ -	\$ 5,229,506
School Breakfast Program	-	-	-	-	2,200,973
Title I					
Low Income	-	-	-	-	5,662,630
Title IV					
Safe and Drug Free Schools - Formula	-	-	-	-	17,124
Federal - Special Education					
Preschool - Flow Through	-	-	-	-	165,846
IDEA - Flow Through/Low Incidence	-	-	-	-	2,546,108
IDEA - Room and Board	-	-	-	-	1,816
Qualified School Construction Bond Credits	-	-	-	-	1,099,072
Build America Bond Interest Reimbursement	-	-	-	-	391,653
Emergency Immigrant Assistance	-	-	-	-	22,597
Title III - English Language Acquisition	-	-	-	-	812,634
Title II - Teacher Quality	-	-	-	-	621,229
Medicaid Matching Funds - Administrative Outreach	-	-	-	-	349,968
Medicaid Matching Funds - Fee-For-Service Program	-	-	-	-	935,138
Total Federal Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,056,294</u>
Total Direct Revenue	<u>\$ 998,519</u>	<u>\$ 69,074</u>	<u>\$ 1,506,628</u>	<u>\$ 39,921</u>	<u>\$ 175,198,678</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
EDUCATIONAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018

EXPENDITURES DISBURSED	BUDGET	ACTUAL
Instruction		
Regular Programs		
Salaries	\$ 35,239,871	\$ 34,995,166
Employee Benefits	7,358,081	6,857,948
Purchased Services	71,755	50,174
Supplies and Materials	1,732,271	1,459,304
Capital Outlay	10,000	-
Non-Capitalized Equipment	123,000	56,051
	<u>\$ 44,534,978</u>	<u>\$ 43,418,643</u>
Pre-K Programs		
Salaries	\$ 1,291,752	\$ 1,112,125
Employee Benefits	372,982	233,868
Purchased Services	16,227	16,227
Supplies and Materials	67,517	59,726
Non-Capitalized Equipment	2,270	2,270
	<u>\$ 1,750,748</u>	<u>\$ 1,424,216</u>
Special Education Programs		
Salaries	\$ 10,568,293	\$ 10,270,158
Employee Benefits	2,554,791	2,118,455
Purchased Services	34,595	30,328
Supplies and Materials	18,205	15,807
Non-Capitalized Equipment	4,000	1,798
	<u>\$ 13,179,884</u>	<u>\$ 12,436,546</u>
Special Education Programs Pre-K		
Salaries	\$ 810,783	\$ 792,603
Employee Benefits	202,940	181,835
Supplies and Materials	12,422	10,422
Non-Capitalized Equipment	569	569
	<u>\$ 1,026,714</u>	<u>\$ 985,429</u>
Remedial and Supplemental Programs K-12		
Salaries	\$ 1,158,211	\$ 737,394
Employee Benefits	205,794	131,640
Purchased Services	406,700	215,400
Supplies and Materials	717,099	444,054
Non-Capitalized Equipment	2,270,500	2,325,574
	<u>\$ 4,758,304</u>	<u>\$ 3,854,062</u>
Interscholastic Programs		
Salaries	\$ 221,171	\$ 192,356
Purchased Services	8,500	7,207
Supplies and Materials	38,979	13,897
Other Objects	10,000	8,457
Non-Capitalized Equipment	1,000	-
	<u>\$ 279,650</u>	<u>\$ 221,917</u>
Summer School Programs		
Salaries	\$ 344,058	\$ 275,733
Employee Benefits	2,000	1,337
Purchased Services	108,250	108,245
Supplies and Materials	4,809	3,469
	<u>\$ 459,117</u>	<u>\$ 388,784</u>
Gifted Programs		
Salaries	\$ 172,030	\$ 125,547
Employee Benefits	56,883	31,333
Purchased Services	\$ 12,188	\$ 12,189
Supplies and Materials	1,000	375
	<u>\$ 242,101</u>	<u>\$ 169,444</u>
Bilingual Programs		
Salaries	\$ 11,436,180	\$ 11,140,747
Employee Benefits	2,110,565	1,934,582
Purchased Services	101,958	83,455
Supplies and Materials	1,662,946	439,942
	<u>\$ 15,311,649</u>	<u>\$ 13,598,726</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
EDUCATIONAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Instruction (Continued)		
Truant Alternative and Optional Programs		
Other Objects	\$ 2,882,028	\$ -
	<u>\$ 2,882,028</u>	<u>\$ -</u>
Private Tuition - Other Objects		
Regular K-12 Programs	\$ -	\$ 208,847
Special Education Programs K-12	-	2,620,104
Special Education Programs Pre-K	-	22,409
	<u>\$ -</u>	<u>\$ 2,851,360</u>
Total Instruction	<u>\$ 84,425,173</u>	<u>\$ 79,349,127</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	\$ 1,565,633	\$ 1,565,267
Employee Benefits	273,582	241,296
Purchased Services	128,741	127,692
Supplies and Materials	22,049	14,846
	<u>\$ 1,990,005</u>	<u>\$ 1,949,101</u>
Guidance Services		
Salaries	\$ 615,329	\$ 607,309
Employee Benefits	165,538	151,415
Purchased Services	1,000	-
Supplies and Materials	4,000	188
	<u>\$ 785,867</u>	<u>\$ 758,912</u>
Health Services		
Salaries	\$ 1,075,123	\$ 1,038,528
Employee Benefits	273,197	229,223
Purchased Services	144,680	167,641
Supplies and Materials	11,220	10,371
Non-Capitalized Equipment	2,500	-
	<u>\$ 1,506,720</u>	<u>\$ 1,445,763</u>
Psychological Services		
Salaries	\$ 752,753	\$ 752,216
Employee Benefits	194,488	150,390
Purchased Services	356,639	342,390
Supplies and Materials	1,000	38
	<u>\$ 1,304,880</u>	<u>\$ 1,245,034</u>
Speech Pathology and Audiology Services		
Salaries	\$ 382,000	\$ 373,872
Employee Benefits	103,667	83,848
Purchased Services	3,434,910	3,340,603
Supplies and Materials	500	266
	<u>\$ 3,921,077</u>	<u>\$ 3,798,589</u>
Other Support Services - Pupils		
Salaries	\$ 305,621	\$ 280,774
Employee Benefits	80,947	73,278
Purchased Services	2,400,000	2,299,330
Supplies and Materials	19,400	9,493
Non-Capitalized Equipment	1,600	1,115
	<u>\$ 2,807,568</u>	<u>\$ 2,663,990</u>
Total Support Services - Pupils	<u>\$ 12,316,117</u>	<u>\$ 11,861,389</u>
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 2,689,176	\$ 2,223,189
Employee Benefits	810,447	730,064
Purchased Services	1,171,643	447,881
Supplies and Materials	212,461	83,491
Capital Outlay	102,685	102,685
	<u>\$ 4,986,412</u>	<u>\$ 3,587,310</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
EDUCATIONAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Instructional Staff (Continued)		
Educational Media Services		
Other Objects	\$ 44,050	\$ 15,287
Salaries	1,124,097	1,074,909
Employee Benefits	262,581	231,309
Purchased Services	4,558,043	4,072,350
Supplies and Materials	1,270,368	1,034,172
Capital Outlay	350,000	341,451
Non-Capitalized Equipment	240,000	64,099
	<u>\$ 7,805,089</u>	<u>\$ 6,833,577</u>
Assessment and Testing		
Salaries	\$ 365,967	\$ 350,256
Employee Benefits	68,325	60,019
Purchased Services	859,955	762,614
Supplies and Materials	61,153	46,301
	<u>\$ 1,355,400</u>	<u>\$ 1,219,190</u>
Total Support Services - Instructional Staff	<u>\$ 14,146,901</u>	<u>\$ 11,640,077</u>
General Administration		
Board of Education Services		
Salaries	\$ 744,500	\$ 722,775
Employee Benefits	1,388,500	1,330,504
Purchased Services	856,200	807,793
Supplies and Materials	35,708	28,500
Capital Outlay	8,000	7,399
Other Objects	47,000	49,022
Termination Benefits	108,000	106,094
	<u>\$ 3,187,908</u>	<u>\$ 3,052,087</u>
Executive Administration Services		
Salaries	\$ 712,474	\$ 714,918
Employee Benefits	159,529	138,141
Purchased Services	34,500	26,274
Supplies and Materials	4,661	1,661
	<u>\$ 911,164</u>	<u>\$ 880,994</u>
Special Area Administration Services		
Salaries	\$ 1,358,375	\$ 1,277,497
Employee Benefits	376,555	305,078
Purchased Services	8,925	2,948
Supplies and Materials	31,600	19,320
Non-Capitalized Equipment	550	-
	<u>\$ 1,776,005</u>	<u>\$ 1,604,843</u>
Total Support Services - General Administration	<u>\$ 5,875,077</u>	<u>\$ 5,537,924</u>
School Administration		
Office of the Principal Services		
Salaries	\$ 5,580,660	\$ 5,495,273
Employee Benefits	1,413,208	1,311,175
Purchased Services	291,000	158,831
Supplies and Materials	233,800	148,720
Other Objects	31,054	27,272
Non-Capitalized Equipment	2,000	-
	<u>\$ 7,551,722</u>	<u>\$ 7,141,271</u>
Total Support Services - School Administration	<u>\$ 7,551,722</u>	<u>\$ 7,141,271</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
EDUCATIONAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Business		
Direction of Business Support Services		
Salaries	\$ 304,522	\$ 304,435
Employee Benefits	74,370	68,511
Purchased Services	28,705	10,096
Supplies and Materials	9,500	9,063
Other Objects	2,000	1,830
Non-Capitalized Equipment	1,000	-
	<u>\$ 420,097</u>	<u>\$ 393,935</u>
Fiscal Services		
Salaries	\$ 458,037	\$ 445,800
Employee Benefits	108,154	88,421
Purchased Services	383,000	308,071
Supplies and Materials	29,500	23,909
Other Objects	2,000	1,583
Non-Capitalized Equipment	3,000	-
	<u>\$ 983,691</u>	<u>\$ 867,784</u>
Operation and Maintenance of Plant Services		
Salaries	\$ 180,170	\$ 173,578
Employee Benefits	14,000	10,580
Purchased Services	422,700	322,561
Supplies and Materials	28,450	12,452
Capital Outlay	10,000	-
Non-Capitalized Equipment	22,000	533
	<u>\$ 677,320</u>	<u>\$ 519,704</u>
Pupil Transportation Services		
Salaries	\$ 3,400	\$ 1,112
Purchased Services	31,934	17,814
	<u>\$ 35,334</u>	<u>\$ 18,926</u>
Food Services		
Salaries	\$ 2,368,750	\$ 2,010,428
Employee Benefits	41,000	30,559
Purchased Services	134,500	79,663
Supplies and Materials	5,517,650	3,773,747
Capital Outlay	3,000	-
Other Objects	1,000	164
Non-Capitalized Equipment	123,000	1,350
	<u>\$ 8,188,900</u>	<u>\$ 5,895,911</u>
Total Support Services - Business	<u>\$ 10,305,342</u>	<u>\$ 7,696,260</u>
Central		
Information Services		
Salaries	\$ 89,616	\$ 92,683
Employee Benefits	15,000	9,630
Purchased Services	500	323
Supplies and Materials	15,000	14,674
	<u>\$ 120,116</u>	<u>\$ 117,310</u>
Staff Services		
Salaries	\$ 627,683	\$ 629,494
Employee Benefits	162,337	113,599
Purchased Services	280,101	242,789
Supplies and Materials	35,996	21,025
Other Objects	13,294	10,294
Non-Capitalized Equipment	10,000	-
	<u>\$ 1,129,411</u>	<u>\$ 1,017,201</u>
Total Support Services - Central	<u>\$ 1,249,527</u>	<u>\$ 1,134,511</u>
Other Support Services		
Supplies and Materials	\$ 4,500	\$ 244
Total Other Support Services	<u>\$ 4,500</u>	<u>\$ 244</u>
Total Support Services	<u>\$ 51,449,186</u>	<u>\$ 45,011,676</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
EDUCATIONAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Community Services		
Salaries	\$ 255,984	\$ 253,092
Employee Benefits	58,022	37,732
Purchased Services	182,136	69,585
Supplies and Materials	296,994	204,087
Total Community Services	<u>\$ 793,136</u>	<u>\$ 564,496</u>
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ 462,000	\$ 461,412
	<u>\$ 462,000</u>	<u>\$ 461,412</u>
Other Payments to In-State Governmental Units		
Other Objects	\$ 32,000	\$ 31,816
	<u>\$ 32,000</u>	<u>\$ 31,816</u>
Total Payments to Other Governmental Units (In-State)	<u>\$ 494,000</u>	<u>\$ 493,228</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Payments for Special Education Programs		
Other Objects	\$ 122,648	\$ 122,648
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 122,648</u>	<u>\$ 122,648</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 616,648</u>	<u>\$ 615,876</u>
Provision for Contingencies	<u>\$ 50,000</u>	<u>\$ -</u>
Total Direct Expenditures	<u><u>\$ 137,334,143</u></u>	<u><u>\$ 125,541,175</u></u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
OPERATIONS AND MAINTENANCE FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>BUDGET</u>	<u>ACTUAL</u>
EXPENDITURES DISBURSED		
Support Services		
Business		
Operation and Maintenance of Plant Services		
Salaries	\$ 5,790,260	\$ 5,535,343
Employee Benefits	1,164,000	1,126,842
Purchased Services	1,506,575	1,128,328
Supplies and Materials	2,612,500	2,045,975
Capital Outlay	625,500	353,688
Non-Capitalized Equipment	305,000	89,029
	<u>\$ 12,003,835</u>	<u>\$ 10,279,205</u>
 Total Support Services - Business	 <u>\$ 12,003,835</u>	 <u>\$ 10,279,205</u>
 Total Support Services	 <u>\$ 12,003,835</u>	 <u>\$ 10,279,205</u>
 Total Direct Expenditures	 <u><u>\$ 12,003,835</u></u>	 <u><u>\$ 10,279,205</u></u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
DEBT SERVICES FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>BUDGET</u>	<u>ACTUAL</u>
EXPENDITURES DISBURSED		
Debt Services		
Interest		
Other Interest on Long-Term Debt		
Other Objects	\$ 2,622,892	\$ 2,659,419
Total Debt Services - Interest	<u>\$ 2,622,892</u>	<u>\$ 2,659,419</u>
Debt Services - Payment of Principal on Long-Term Debt		
Other Objects	\$ 5,078,000	\$ 5,038,126
Total Debt Services - Payment of Principal on Long-Term Debt	<u>\$ 5,078,000</u>	<u>\$ 5,038,126</u>
Debt Services - Other		
Other Objects	\$ -	\$ 2,100
Total Debt Services - Other	<u>\$ -</u>	<u>\$ 2,100</u>
Total Debt Services	<u>\$ 7,700,892</u>	<u>\$ 7,699,645</u>
Total Direct Expenditures	<u><u>\$ 7,700,892</u></u>	<u><u>\$ 7,699,645</u></u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
TRANSPORTATION FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>BUDGET</u>	<u>ACTUAL</u>
EXPENDITURES DISBURSED		
Support Services		
Business		
Pupil Transportation Services		
Salaries	\$ 2,156,079	\$ 2,014,786
Employee Benefits	615,000	558,242
Purchased Services	2,089,900	1,837,359
Supplies and Materials	216,600	200,214
Capital Outlay	20,000	-
Non-Capitalized Equipment	15,000	6,733
	<u>\$ 5,112,579</u>	<u>\$ 4,617,334</u>
 Total Support Services - Business	 <u>\$ 5,112,579</u>	 <u>\$ 4,617,334</u>
 Total Support Services	 <u>\$ 5,112,579</u>	 <u>\$ 4,617,334</u>
 Total Direct Expenditures	 <u><u>\$ 5,112,579</u></u>	 <u><u>\$ 4,617,334</u></u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>BUDGET</u>	<u>ACTUAL</u>
EXPENDITURES DISBURSED		
Instruction		
Regular Programs		
Employee Benefits	\$ 575,796	\$ 545,244
Pre-K Programs		
Employee Benefits	73,578	58,972
Special Education Programs		
Employee Benefits	669,139	559,216
Special Education Programs - Pre-K		
Employee Benefits	55,788	55,583
Remedial and Supplemental Programs - K-12		
Employee Benefits	17,117	10,710
Interscholastic Programs		
Employee Benefits	3,987	4,071
Summer School Programs		
Employee Benefits	26,500	19,769
Gifted Programs		
Employee Benefits	2,500	1,702
Bilingual Programs		
Employee Benefits	165,119	155,053
Total Instruction	<u>\$ 1,589,524</u>	<u>\$ 1,410,320</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Employee Benefits	\$ 23,948	\$ 21,738
Guidance Services		
Employee Benefits	9,900	8,492
Health Services		
Employee Benefits	204,242	177,573
Psychological Services		
Employee Benefits	10,519	10,407
Speech Pathology and Audiology Services		
Employee Benefits	6,480	5,153
Other Support Services - Pupils		
Employee Benefits	58,979	50,526
Total Supports Services - Pupils	<u>\$ 314,068</u>	<u>\$ 273,889</u>
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	\$ 72,222	\$ 57,210
Educational Media Services		
Employee Benefits	130,600	115,255
Assessment and Testing		
Employee Benefits	63,257	61,251
Total Support Services - Instructional Staff	<u>\$ 266,079</u>	<u>\$ 233,716</u>
General Administration		
Board of Education Services		
Employee Benefits	\$ 27,800	\$ 16,808
Executive Administration Services		
Employee Benefits	43,604	43,130
Special Area Administrative Services		
Employee Benefits	76,569	68,189
Total Support Services - General Administration	<u>\$ 147,973</u>	<u>\$ 128,127</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>BUDGET</u>	<u>ACTUAL</u>
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 473,125	\$ 425,978
Total Support Services - School Administration	<u>\$ 473,125</u>	<u>\$ 425,978</u>
Business		
Direction of Business Support Services		
Employee Benefits	\$ -	\$ 25,794
Fiscal Services		
Employee Benefits	26,115	80,458
Facilities Acquisition and Construction Services		
Employee Benefits	85,939	-
Operation and Maintenance of Plant Services		
Employee Benefits	1,072,146	1,026,318
Pupil Transportation Services		
Employee Benefits	407,646	365,515
Food Services		
Employee Benefits	281,700	227,251
Total Support Services - Business	<u>\$ 1,873,546</u>	<u>\$ 1,725,336</u>
Central		
Employee Benefits	\$ 16,110	\$ 16,877
Staff Services		
Employee Benefits	71,800	66,850
Total Support Services - Central	<u>\$ 87,910</u>	<u>\$ 83,727</u>
Total Support Services	<u>\$ 3,162,701</u>	<u>\$ 2,870,773</u>
Community Services		
Employee Benefits	\$ 35,646	\$ 9,534
Total Community Services	<u>\$ 35,646</u>	<u>\$ 9,534</u>
Total Direct Expenditures	<u><u>\$ 4,787,871</u></u>	<u><u>\$ 4,290,627</u></u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>BUDGET</u>	<u>ACTUAL</u>
EXPENDITURES DISBURSED		
Support Services		
Business		
Facilities Acquisition and Construction Services		
Purchased Services	\$ 32,000	\$ 15,847
Capital Outlay	18,026,885	12,200,769
Total Support Services - Business	<u>\$ 18,058,885</u>	<u>\$ 12,216,616</u>
 Total Support Services	 <u>\$ 18,058,885</u>	 <u>\$ 12,216,616</u>
 Total Direct Expenditures	 <u><u>\$ 18,058,885</u></u>	 <u><u>\$ 12,216,616</u></u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
TORT FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>BUDGET</u>	<u>ACTUAL</u>
EXPENDITURES DISBURSED		
Support Services		
General Administration		
Workers' Compensation or Worker's Occupational Disease Act		
Purchased Services	\$ 1,300,000	\$ 1,034,057
	<u>\$ 1,300,000</u>	<u>\$ 1,034,057</u>
Unemployment Insurance Payments		
Purchased Services	\$ 50,000	\$ 17,604
	<u>\$ 50,000</u>	<u>\$ 17,604</u>
Insurance Payments		
Purchased Services	\$ 610,000	\$ 609,845
	<u>\$ 610,000</u>	<u>\$ 609,845</u>
Judgment and Settlements		
Other Objects	\$ 100,000	\$ -
	<u>\$ 100,000</u>	<u>\$ -</u>
Total Support Services - General Administration	<u>\$ 2,060,000</u>	<u>\$ 1,661,506</u>
Total Support Services	<u>\$ 2,060,000</u>	<u>\$ 1,661,506</u>
Total Direct Expenditures	<u><u>\$ 2,060,000</u></u>	<u><u>\$ 1,661,506</u></u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
FIRE PREVENTION AND SAFETY FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>BUDGET</u>	<u>ACTUAL</u>
EXPENDITURES DISBURSED		
Support Services		
Business		
Facilities Acquisition and Construction Services		
Purchased Services	\$ 50,000	\$ 13,033
Capital Outlay	50,000	-
	<u>\$ 100,000</u>	<u>\$ 13,033</u>
 Total Support Services - Business	 <u>\$ 100,000</u>	 <u>\$ 13,033</u>
 Total Support Services	 <u>\$ 100,000</u>	 <u>\$ 13,033</u>
 Total Direct Expenditures	 <u><u>\$ 100,000</u></u>	 <u><u>\$ 13,033</u></u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Cicero Public School District No. 99's (District) accounting policies conform to the cash basis of accounting as defined by the Illinois State Board of Education Audit Guide.

*A. Principles Used to Determine Scope of Entity*

The reporting entity includes the governing board and all related organizations for which the District exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities which benefit its citizens, including joint agreements which serve pupils from numerous districts, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of the entity.

*B. Basis of Presentation – Fund Accounting*

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities arising from cash transactions, fund balance, revenue received, and expenditures disbursed.

The District maintains individual funds required by the State of Illinois. These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and account groups are used by the District:

Educational Fund – The Educational Fund is the general operating fund of the District. It is used to account for all transactions that are not specifically covered in another fund. Certain expenditures that must be charged to this fund include the direct costs of instructional programs, health and attendance services, lunch programs, all costs of administration, and related insurance costs. Certain revenues that must be credited to this fund include educational tax levies, tuition, and textbook rentals. Special Education is included in this fund.

Operations and Maintenance Fund – The Operations and Maintenance Fund is used to account for all costs of maintaining, improving, or repairing school buildings and property, renting buildings and property for school purposes, or paying of premiums for insurance on school buildings. Operations of this fund are generally financed by a special tax levied for these purposes and contributions and donations from private sources.

Debt Services Fund – The Debt Services Fund is used to account for all principal, interest, and administrative costs for debt payments. Operations of this fund are generally financed by a special tax levied for these purposes or operating transfers from other funds.

## NOTES TO FINANCIAL STATEMENTS (Continued)

Transportation Fund – The Transportation Fund is used to account for the costs associated with transporting pupils for any purpose. Revenue received for transportation purposes from any source must be deposited into this fund, including property taxes levied and state grants received for these purposes.

Illinois Municipal Retirement/Social Security Fund – The Illinois Municipal Retirement/Social Security Fund is used to account for costs of providing retirement benefits under Illinois Municipal Retirement Fund and Social Security if there are separate taxes levied for these purposes. If separate taxes are not levied for these purposes, then the payments shall be charged to the fund where the salaries are charged.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Working Cash Fund – The Working Cash Fund is used to account for a separate tax levied for working cash purposes and for any bonds sold for this purpose. Cash available in this fund may be loaned to any fund of the District.

Tort Fund – The Tort Fund is used to account for a separate tax levied for tort immunity or tort judgment purposes and for any bonds sold for this purpose.

Fire Prevention and Safety Fund – The Fire Prevention and Safety Fund is used to account for the proceeds of specific revenue sources that are legally restricted for fire prevention and safety projects.

General Fixed Assets Account Group – The General Fixed Assets Account Group is used to record physical assets of the District that have a long-term (i.e. more than one year) period of usefulness.

General Long-Term Debt Account Group – The General Long-Term Debt Account Group is used to record total bonded debt and other long-term debt of the District.

### Measurement Focus

The financial statements of all funds, except the two account groups, focus on the measurement of spending or “financial flow” and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets.

Their reported fund balance (net current assets) is considered a measure of “available spendable resources”. Fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

### General Fixed Assets and General Long-Term Debt Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used in operations are accounted for in the General Fixed Assets Account Group rather than in the funds. Long-term liabilities expected to be financed from the funds are accounted for in the General Long-Term Debt Account Group, not in the funds.

The two account groups are not “funds.” They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

*C. Basis of Accounting*

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related bond principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

If the District utilized accounting principles generally accepted in the United States of America, the basic financial statements would be replaced with government-wide financial statements and fund financial statements. The fund financial statements would use the modified accrual basis of accounting. The government-wide financial statements would be presented on the accrual basis of accounting.

*D. Budgets and Budgetary Accounting*

The budget for all funds is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5/17-1 of the Illinois Compiled Statutes. The original budget was approved on September 13, 2017. The amended budget was approved on June 20, 2018.

For each fund, total fund disbursements may not legally exceed the budgeted disbursements. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### *E. Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all District funds. Instead, the funds maintain their balances in common accounts, with accounting records being maintained to show the portion of the common bank account balances attributable to each participating fund.

Occasionally, certain of the funds participating in the common bank accounts will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other District funds and are, therefore, interfund loans which have not been authorized by Board action.

No District fund had a cash overdraft at June 30, 2018.

Cash and cash equivalents are considered to be cash on hand, checking accounts, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at the lower of cost or market. Gains or losses on the sale of investments are recognized upon realization.

### *F. Inventories*

It is the District's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the values of resale or supply items on hand.

### *G. Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate. All other interfund transactions are treated as transfers.

### *H. General Fixed Assets*

General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as disbursements in the funds for which the asset was purchased and capitalized at cost, if over \$5,000, in the General Fixed Assets Account Group. Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge, which is calculated on a straight-line basis with useful lives of 50 years for Buildings, 20 years for Improvements Other than Buildings, and 5 to 10 years for Equipment).

### *I. Governmental Fund Balances*

Governmental fund balances are reported as "reserved" because they are legally segregated for a specific future use. The remaining balances are "unreserved" fund balances. From time to time, the Board agrees to set aside, or "designate", resources for future uses – such as for specific capital projects. These unreserved, designated balances are based on management's tentative plans and can be changed.

### *J. Property Tax Calendar and Revenues*

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The levy was passed by the Board on December 13, 2017. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments early in March and early in September. The District receives significant distributions of tax receipts on each due date and for about ninety days thereafter.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### K. Total Memorandum Only

The "Total Memorandum Only" column represents the aggregation (by addition) of the line item amounts reported for each fund and account group. No consolidating or other eliminations were made in arriving at the totals; thus they do not present consolidated information.

These totals are presented only to facilitate financial analysis and are not intended to reflect the financial position or results of operations of the District as a whole.

### NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured or collateralized by securities held in the District's name.

The District is allowed to invest in securities as authorized by the School Code of Illinois, Chapter 30, Section 235/2 and 6; and Chapter 105, Section 5/8-7.

#### Investments

As of June 30, 2018, the District had the following investments and maturities:

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	5 - 10	More Than 10
State Investment Pools	\$ 6,035,169	\$ 6,035,169	\$ -	\$ -	\$ -
Federal Home Loan Mtg Corp	21,559,504	4,496,183	17,063,321	-	-
Federal Home Loan Bank	19,309,434	500,000	14,790,834	4,018,600	-
Fannie Mae	17,309,379	5,318,609	11,990,770	-	-
Federal Farm Credit Bank	23,273,220	1,500,000	20,273,220	1,500,000	-
Municipal Bonds	39,496,581	20,617,907	16,892,939	1,985,735	-
Mutual Funds	5,463,278	5,463,278	-	-	-
Commercial Paper	1,987,375	1,987,375	-	-	-
Totals	<u>\$ 134,433,940</u>	<u>\$ 45,918,521</u>	<u>\$ 81,011,084</u>	<u>\$ 7,504,335</u>	<u>\$ -</u>

The fair value of investments in the State Investment Pools is the same as the value of pool shares. The State Investment Pools are not SEC-registered, but do have regulatory oversight through the State of Illinois.

**Interest Rate Risk.** The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk.** State law limits investments based on credit risk. The District's investment policy further limits its investment choices to ensure that capital loss, whether from credit or market risk, is avoided. As of June 30, 2018, the District's investments were rated as follows:

Investment	Credit Rating	Rating Source
State Investment Pools	AAAm	Standard and Poor's
Federal Home Loan Mtg Corp	AA+/Aaa	Standard and Poor's/Moody's
Federal Home Loan Bank	AA+	Standard and Poor's
Fannie Mae	AA+	Standard and Poor's
Federal Farm Credit Bank	AA+	Standard and Poor's
Municipal Bonds	A+, AAA, AA, AA-, AA+, A-, BBB+; Aa1, A2, Aa2, Aa3, A3	Standard and Poor's/Moody's
Mutual Funds	Not Rated	
Commercial Paper	Not Rated	

## NOTES TO FINANCIAL STATEMENTS (Continued)

**Concentration of Credit Risk.** The District places no limit on the amount the District may invest in any one issuer. More than 5% of the District's investments are in Municipal Bonds (29%), Fannie Mae (13%), Federal Farm Credit Bank (17%), Federal Home Loan Bank (14%), and Federal Home Loan Mortgage Corporation (16%).

### NOTE 3 - FAIR VALUE MEASUREMENT

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2018:

Investments by fair value level	6/30/2018	Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Certificates of Deposit	\$ 27,243,923	\$ -	\$ 27,243,923
Federal Home Loan Mtg Corp	21,559,504	-	21,559,504
Federal Home Loan Bank	19,309,434	-	19,309,434
Fannie Mae	17,309,379	-	17,309,379
Federal Farm Credit Bank	23,273,220	-	23,273,220
Municipal Bonds	39,496,581	-	39,496,581
Mutual Funds	5,463,278	5,463,278	-
Commercial Paper	1,987,375	-	1,987,375
Total Investments by fair value level	<u>\$ 155,642,694</u>	<u>\$ 5,463,278</u>	<u>\$ 150,179,416</u>

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

### NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Land	\$ 11,381,551	\$ -	\$ -	\$ 11,381,551
Buildings and Building Improvements	229,671,774	6,819,221	-	236,490,995
Site Improvements and Infrastructure	3,848,381	496,718	-	4,345,099
Capitalized Equipment	27,975,216	645,191	-	28,620,407
Construction in Progress	23,071,018	5,044,842	-	28,115,860
	<u>\$ 295,947,940</u>	<u>\$ 13,005,972</u>	<u>\$ -</u>	<u>\$ 308,953,912</u>

### NOTE 5 - CHANGES IN GENERAL LONG-TERM DEBT

Changes in general long-term debt are summarized as follows:

## NOTES TO FINANCIAL STATEMENTS (Continued)

	Balance July 1, 2017	Additions	Retirement	Balance June 30, 2018	Amounts Due Within One Year
<b>Long-Term Debt</b>					
General Obligation Limited Bonds					
Dated 6/9/2009	\$ 4,930,000	\$ -	\$ 2,390,000	\$ 2,540,000	\$ 2,540,000
Dated 9/29/2009	22,450,000	-	245,000	22,205,000	175,000
General Obligation Refunding Bonds					
Dated 12/29/2016	28,445,000	-	1,885,000	26,560,000	1,335,000
Dated 12/29/2016	340,000	-	340,000	-	-
Capital Leases					
Dated 8/25/2016	169,056	-	169,056	-	-
Dated 11/14/2016	387,536	-	387,536	-	-
Dated 01/01/2018	-	1,097,836	78,714	1,019,122	261,505
<b>Total Long-Term Debt</b>	<b>\$ 56,721,592</b>	<b>\$ 1,097,836</b>	<b>\$ 5,495,306</b>	<b>\$ 52,324,122</b>	<b>\$ 4,311,505</b>

Bonds and notes payable consisted of the following at June 30, 2018:

Long-Term Debt	Maturity Date	Interest Rate	Face Amount	Carrying Amount
General Obligation Bonds				
General Obligation Limited Bonds				
Dated 6/9/2009	12/1/2018	3.00% - 5.00%	\$ 4,930,000	\$ 2,540,000
Dated 9/29/2009 (1)	12/1/2025	4.60% - 5.70%	22,450,000	22,205,000
General Obligation Refunding Bonds				
Dated 12/29/2016	12/1/2041	1.558%-5.087%	28,445,000	26,560,000
Dated 12/29/2016	12/1/2017	1.558%	340,000	-
Capital Leases				
Dated 8/29/2016	8/15/2020	4.500%	215,536	-
Dated 11/14/2016	11/15/2020	4.500%	438,512	-
Dated 01/01/2018	2/15/2022	4.500%	1,097,836	1,019,122

(1) Build America Bonds include a provision that 35% of the interest paid will be rebated to the District from the US Treasury.

At June 30, 2018 the annual debt service requirements to cover all outstanding debt are:

Year Ending June 30	Principal	Interest	Total	Rebate
2019	\$ 4,311,505	\$ 2,523,259	\$ 6,834,764	\$ 415,917
2020	4,473,468	2,344,831	6,818,299	390,579
2021	4,591,127	2,154,288	6,745,415	341,000
2022	3,228,022	1,970,084	5,198,106	287,746
2023	3,135,000	1,803,673	4,938,673	230,685
2024	3,240,000	1,627,080	4,867,080	168,877
2025	3,360,000	1,438,980	4,798,980	103,042
2026	3,485,000	1,243,898	4,728,898	34,763
2027	-	1,144,575	1,144,575	-
2028-2032	-	5,722,875	5,722,875	-
2033-2037	-	5,722,875	5,722,875	-
2038-2042	22,500,000	5,150,588	27,650,588	-
	<b>\$ 52,324,122</b>	<b>\$ 32,847,005</b>	<b>\$ 85,171,127</b>	<b>\$ 1,972,609</b>

### NOTE 6 - SPECIAL TAX LEVIES AND RESERVED EQUITY

#### A. Social Security Tax Levy

Cash receipts and the related cash disbursements of this reserved tax levy are accounted for in the Illinois Municipal Retirement/Social Security Fund. The current year disbursements exceeded the

## NOTES TO FINANCIAL STATEMENTS (Continued)

current year receipts and any prior year carryover balance. Accordingly, there is no equity reserve balance for this special tax levy.

### B. *Leasing Levy*

Cash receipts and the related cash disbursements of this reserved tax levy are accounted for in the Educational Fund. The current year disbursements exceeded the current year receipts and any prior year carryover balance. Accordingly, there is no equity reserve balance for this special tax levy.

## NOTE 7 - DEFICIT FUND BALANCE

No District fund had a deficit fund balance at June 30, 2018.

## NOTE 8 - PROPERTY TAXES

Taxes recorded in these financial statements are from the 2016 and prior (\$11,724,911) and 2017 (\$12,662,862) tax levies.

A summary of the past three years assessed valuations, tax rates, and extensions follows:

TAX YEAR	2017		2016		2015	
ASSESSED VALUATION	\$663,720,611		\$567,676,559		\$548,979,432	
	Rate	Extension	Rate	Extension	Rate	Extension
Educational	1.8247	\$ 12,110,953	2.0755	\$ 11,781,870	2.1353	\$ 11,722,445
Tort Immunity	0.2474	1,641,885	0.2827	1,604,667	0.2872	1,576,869
Special Education	0.0039	25,589	0.0043	24,546	0.0047	25,788
Operations and Maintenance	0.4670	3,099,347	0.5333	3,027,165	0.5500	3,019,387
Transportation	0.1416	940,056	0.1617	918,160	0.1630	895,036
Illinois Municipal Retirement	0.2341	1,553,450	0.2748	1,560,167	0.2777	1,524,351
Debt Service	0.9536	6,329,319	1.1150	6,329,763	1.5489	8,503,186
Social Security	0.2265	1,503,033	0.2646	1,501,867	0.2665	1,462,881
Leasing Educational Facilities	0.0038	25,032	0.0043	24,546	0.0047	25,788
Life Safety	0.0078	51,926	-	-	-	-
Working Cash Funds	0.0001	501	-	-	-	-
	<u>4.1105</u>	<u>\$ 27,281,091</u>	<u>4.7162</u>	<u>\$ 26,772,751</u>	<u>5.2380</u>	<u>\$ 28,755,731</u>

## NOTE 9 - OVEREXPENDITURE OF BUDGET

For the year ended June 30, 2018, the District did not have any funds where expenditures exceeded the budgeted amounts:

## NOTE 10 - OPERATING LEASES, AS LESSEE

The District, as lessee, leases a mailing system, copiers, computers, laptops, and buses.

Minimum annual rentals are as follows:

Year Ending June 30	Amount
2019	\$ 1,024,435
2020	826,316
2021	346,313
2022	224,400
2023	114,658
	<u>\$ 2,536,122</u>

Rental expense under these leases for the year ended June 30, 2018 was \$2,128,127.

## **NOTE 11 - RETIREMENT FUND COMMITMENTS**

### *A. Teachers' Retirement System of the State of Illinois*

#### *General Information About the Pension Plan*

##### Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/cafrs/fy2017>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

##### Benefits Provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with ten years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last ten years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2% of final average salary up to a maximum of 75% with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with ten years of service, or a discounted annuity can be paid at age 62 with ten years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3% increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of 3% of the original benefit or ½% of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

##### Contributions

The State of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of fiscal year 2045.

## NOTES TO FINANCIAL STATEMENTS (Continued)

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2017 was 9.0% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2018, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$48,663,073 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2018 were \$400,993.

Federal and Special Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2018, the District pension contribution was 10.10% of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$2,733,803 were paid from federal and special trust funds that required District contributions of \$276,114.

Employer Retirement Cost Contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the ERO. The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5% and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the District paid \$0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2018, the District paid \$26,898 to TRS for employer contributions due on salary increases in excess of 6% and \$0 for sick leave days granted in excess of the normal annual allotment.

### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the District has a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The State's support and total are for disclosure purposes only. The District's proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District follows below:

District's proportionate share of the net pension liability	\$ 28,667,257
State's proportionate share of the net pension liability associated with the District	494,467,001
Total Net Pension Liability	<u>\$ 523,134,258</u>

## NOTES TO FINANCIAL STATEMENTS (Continued)

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2017, the District's proportion was 0.0375235%, which was an increase of .0032857% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$48,663,073 and revenue of \$48,663,073 for support provided by the State. At June 30, 2018, the deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 311,358	\$ (13,232)	\$ 298,126
Net difference between projected and actual earnings on pension plan investments	19,666	-	19,666
Changes of assumptions	1,913,333	(823,764)	1,089,569
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,837,490	(1,483,052)	354,438
Employer contributions subsequent to the measurement date	677,107	-	677,107
	<u>\$ 4,758,954</u>	<u>\$ (2,320,048)</u>	<u>\$ 2,438,906</u>

\$677,107 of deferred outflows of resources related to pensions results from employer contributions subsequent to the measurement date. Other deferred outflows of resources and deferred inflows of resources related to pensions will be part of the pension expense in future years as follows:

Year Ending June 30	Amount
2019	\$ 408,394
2020	687,009
2021	498,689
2022	128,526
2023	39,181
	<u>\$ 1,761,799</u>

### Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	varies by amount of service credit
Investment Rate of Return	7.0%, net of pension plan investment expenses, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014. The same assumptions were used in the June 30, 2016 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These

## NOTES TO FINANCIAL STATEMENTS (Continued)

ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6%	8.09%
International equities developed	14.4%	7.46%
Emerging market equities	3.6%	10.15%
U.S. bonds core	10.7%	2.44%
International debt developed	5.3%	1.70%
Real estate	15.0%	5.44%
Commodities (real return)	11.0%	4.28%
Hedge funds (absolute return)	8.0%	4.16%
Private Equity	14.0%	10.63%
	<u>100.0%</u>	

### Discount Rate

At June 30, 2017, the discount rate used to measure total pension liability was 7.00%, which was a change from the June 30, 2016 rate of 6.83%. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2017 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83%. The discount rate was lower than the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

### Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point-higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Employer's proportionate share of the net pension liability	\$ 35,221,469	\$ 28,667,257	\$ 23,298,811

### TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2017 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

**B. Illinois Municipal Retirement Fund**

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report is available for download at [www.imrf.org](http://www.imrf.org).

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last ten years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired **on or after** January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last ten years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. At December 31, 2017, the measurement date, the District's membership consisted of:

Retirees and beneficiaries currently receiving benefits	249
Inactive plan members entitled to but not yet receiving benefits	341
Active plan members	466
Total	<u><u>1,056</u></u>

## NOTES TO FINANCIAL STATEMENTS (Continued)

### Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2017 was 11.17%. For the fiscal year ended June 30, 2018, the District contributed \$1,923,450 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

### Net Pension Liability

The components of the net pension liability of the IMRF as of December 31, 2017, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 72,112,614
IMRF Fiduciary Net Position	68,735,690
District's Net Pension Liability	3,376,924
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability	95.32%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the plan.

### Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2017 using the following actuarial methods and assumptions:

Assumptions	
Inflation	2.50%
Salary Increases	3.39% - 14.25% including inflation
Interest Rate	7.50%
Asset Valuation Method	Market value of assets
Projected Retirement Age	Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

### Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class.

## NOTES TO FINANCIAL STATEMENTS (Continued)

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

Asset Class	Target Allocation	Projected Return
Equities	37.0%	6.85%
International Equities	18.0%	6.75%
Fixed Income	28.0%	3.00%
Real Estate	9.0%	5.75%
Alternatives	7.0%	
Private Equity		7.35%
Hedge Funds		5.05%
Commodities		2.65%
Cash	1.0%	2.25%
	<u>100.0%</u>	

### Single Discount Rate

The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this discount rate, the expected rate of return on plan investments is 7.50%; the municipal bond rate is 3.31%; and resulting single discount rate is 7.50%.

### Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2016	\$ 69,754,975	\$ 59,884,404	\$ 9,870,571
Changes for the year:			
Service Cost	\$ 1,779,806	\$ -	\$ 1,779,806
Interest on the Total Pension Liability	5,200,335	-	5,200,335
Differences Between Expected and Actual			
Experience of the Total Pension Liability	301,469	-	301,469
Changes of Assumptions	(2,309,823)	-	(2,309,823)
Contributions - Employer	-	1,856,362	(1,856,362)
Contributions - Employee	-	748,800	(748,800)
Net Investment Income	-	9,951,544	(9,951,544)
Benefit Payments, Including Refunds			
of Employee Contributions	(2,614,148)	(2,614,148)	-
Other (Net Transfer)	-	(1,091,272)	1,091,272
Net Changes	\$ 2,357,639	\$ 8,851,286	\$ (6,493,647)
Balances at December 31, 2017	\$ 72,112,614	\$ 68,735,690	\$ 3,376,924

## NOTES TO FINANCIAL STATEMENTS (Continued)

### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower 6.50%	Current Discount Rate 7.50%	1% Higher 8.50%
Net Pension Liability/(Asset)	\$ 13,246,254	\$ 3,376,924	\$ (4,673,600)

### Pension Expense/(Income), Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the District's pension expense/(income) is \$2,701,223. At June 30, 2018, the District's deferred outflows of resources and deferred inflows of resources related to pension from the following sources were as follows:

Expense in Future Periods	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 794,568	\$ 1,347,698	\$ (553,130)
Changes of assumptions	381,514	1,935,481	(1,553,967)
Net difference between projected and actual earnings on pension plan investments	1,895,981	4,401,178	(2,505,197)
Total deferred amounts to be recognized in pension expense in future periods	\$ 3,072,063	\$ 7,684,357	\$ (4,612,294)
Pension contributions made subsequent to the measurement date	993,722	-	993,722
Total deferred amounts related to pensions	<u>\$ 4,065,785</u>	<u>\$ 7,684,357</u>	<u>\$ (3,618,572)</u>

Deferred outflows of resources and deferred inflows of resources related to pensions will be part of the pension expense in future years as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ (337,050)
2019	(992,522)
2020	(1,847,043)
2021	(1,435,679)
	<u>\$ (4,612,294)</u>

### *C. Social Security*

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid all required contributions for the current fiscal year.

## **NOTE 12 - POST EMPLOYMENT BENEFIT COMMITMENTS**

### *A. Teacher Health Insurance Security Fund (THIS)*

#### *General Information About the OPEB Plan*

#### Plan Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature

## NOTES TO FINANCIAL STATEMENTS (Continued)

for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General (<http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>). The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

### Benefits Provided

The State of Illinois offers comprehensive health plan options, all of which include prescription drug and behavioral health coverage. The State of Illinois offers TCHP, HMO, and OAP plans.

- Teachers' Choice Health Plan (TCHP) benefit recipients can choose any physician or hospital for medical services; however, benefit recipients receive enhanced benefits, resulting in lower out-of-pocket costs, when receiving services from a TCHP in-network provider. TCHP has a nationwide network and includes CVS/Caremark for prescription drug benefits and Magellan Behavioral Health for behavioral health services.
- Health Maintenance Organizations (HMO) benefit recipients are required to stay within the health plan provider network. No out-of-network services are available. Benefit recipients will need to select a primary care physician (PCP) from a network of participating providers. The PCP will direct all healthcare services and make referrals to specialists and hospitalization.
- Open Access Plan (OAP) benefit recipients will have three tiers of providers from which to choose to obtain services. The benefit level is determined by the tier in which the healthcare provider is contracted.
  - Tier I offers a managed care network which provides enhanced benefits and operates like an HMO.
  - Tier II offers an expanded network of providers and is a hybrid plan operating like an HMO and PPO.
  - Tier III covers all providers which are not in the managed care networks of Tiers I or II (i.e., out-of-network providers). Using Tier III can offer benefit recipients flexibility in selecting healthcare providers but involves higher out-of-pocket costs. Furthermore, benefit recipients who use out-of-network providers will be responsible for any amount that is over and above the charges allowed by the plan for services (i.e., allowable charges), which could result in substantial out-of-pocket costs. Benefit recipients enrolled in an OAP can mix and match providers and tiers.

### Contributions

For the fiscal year ended June 30, 2018, the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the TRS, who are not employees of a department, make contributions to the plan at a rate of 1.18% of salary and for every employer of a teacher to contribute an amount equal to .88% of each teacher's salary. For the fiscal year ended June 30, 2017, the employee contribution was 1.12% of salary and the employer contribution was .84% of each teacher's salary. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the Teachers' Health Insurance Security Fund (THIS), an

## NOTES TO FINANCIAL STATEMENTS (Continued)

amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-Behalf Contributions to THIS. The State of Illinois makes employer benefit contributions on behalf of the District. For the year ended June 30, 2018, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net OPEB liability associated with the District, and the District recognized revenue and expenditures of \$736,672 in benefit contributions from the State of Illinois.

### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2018, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state benefit support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 75,329,262
State's proportionate share of the net pension liability associated with the District	98,926,039
Total	<u>\$ 174,255,301</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2017, relative to the contributions of all participating THIS employers and the State during that period.

At June 30, 2017, the District's proportion was 0.290291%, which was an increase of 0.022306% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District had benefit expense of \$6,404,589 and on-behalf revenue/expense of \$736,672 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ -	\$ (42,667)	\$ (42,667)
Net difference between projected and actual earnings on pension plan investments	-	(829)	(829)
Changes of assumptions	-	(8,968,953)	(8,968,953)
Changes in proportion and differences between employee contributions and proportionate share of contributions	5,242,466	-	5,242,466
Employer contributions subsequent to the measurement date	608,403	-	608,403
	<u>\$ 5,850,869</u>	<u>\$ (9,012,449)</u>	<u>\$ (3,161,580)</u>

\$608,403 of deferred outflows of resources related to OPEB results from employer contributions subsequent to the measurement date. Other deferred outflows of resources and deferred inflows of resources related to OPEB will be part of the OPEB expense in future years as follows:

## NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ending June 30	
2019	\$ (873,902)
2020	(1,470,097)
2021	(1,067,120)
2022	(275,027)
2023	(83,837)
	<u>\$ (3,769,983)</u>

### Actuarial Assumptions

The total OPEB liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation
Healthcare Cost Trend Costs	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decrease to an ultimate trend of 4.5%. Additional trend rate of 0.59% is added to non-Medicare costs on and after 2020 to account for the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for THIS experience. For disabled annuitants, mortality rates were based on the RP-Disabled Annuitant Table. All tables reflect future improvements using Projection Scale MP-2014.

The actuarial assumptions that were used in the June 30, 2016 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2012 through June 30, 2015.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Illinois Public Treasurers' Investment Pool	100.0%	0.68%
	<u>100.0%</u>	

### Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term

## NOTES TO FINANCIAL STATEMENTS (Continued)

expected rate of return are not met). Since TRIP (Teachers' Retirement Insurance Program) is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

Based on those assumptions, THIS's fiduciary net position at June 30, 2017 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on THIS investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

At June 30, 2017, the discount rate used to measure the total OPEB liability was 3.56%.

### Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.56%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.56%) or 1 percentage-point higher (4.56%) than the current rate.

	1% Decrease 2.56%	Current Discount Rate 3.56%	1% Increase 4.56%
Employer's proportionate share of the net OPEB liability	\$ 209,105,447	\$ 174,255,301	\$ 146,369,661

### Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 5.09% in 2025, for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.5% in 2027 for Medicare coverage.

	1% Decrease 7.00% (a)	Healthcare Cost Valuation Rate	1% Increase 8.00% (b)
Employer's proportionate share of the net OPEB liability	\$ 140,641,877	\$ 174,255,301	\$ 222,501,688

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.09% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.
- (b) One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

## **B. Retiree Insurance Plan**

### Plan Overview

In addition to the retirement plan described in Note 11, the District provides post-employment benefits other than pensions ("OPEB") to employees who meet certain criteria. The Plan, a single-employer defined benefit plan, provides the following coverage:

## NOTES TO FINANCIAL STATEMENTS (Continued)

### Medical Coverage

TRS Eligible Staff: Eligible staff may choose from the following two health coverage options upon retirement, payable through age 65.

- 1) Coverage in the District's active Health Plan (with a lower level of benefit), with the retiree responsible for paying the full District premium cost.
- 2) Monthly reimbursements for retiree-only coverage in outside Health-Plan. The amount of reimbursement varies based on year of retirement and the contract the retiree retired under. For retirements occurring during the contract period of July 1, 2010 through June 30, 2013, the monthly reimbursement is no more than \$375 during the five years of an employee's retirement and increases to no more than \$400 thereafter (up to age 65).

IMRF Eligible Staff: Eligible staff may choose from the following health coverage options upon retirement:

- 1) If retire prior to age 62, coverage in the District's active Health Plan until age 65, with the retiree responsible for paying the full District premium cost.
- 2) If retire on or after age 62, coverage in the District's active Health Plan until age 65. Retiree may elect single or family coverage, with the retiree paying the active employee contribution rate for single coverage and the full District premium cost for family coverage.
- 3) Custodial and Maintenance Service Employees may elect coverage through age 70, with the retiree responsible for paying the full District premium cost.
- 4) A State of Illinois Department of Insurance memo dated February 18, 2003 states that coverage cannot be terminated when a retiree becomes Medicare eligible, and the District is not responsible for paying any premium for this coverage unless negotiated through a collectively bargained agreement. There are currently no collectively bargained agreements in place for this coverage.

Dental, vision and life insurance benefits are not provided to retirees.

The Plan does not issue a stand-alone financial report.

### Eligibility

Employees of the District are eligible for retiree health benefits as listed below:

#### Eligibility

TRS Eligible Staff (Teachers and Administrators): Eligible for benefits upon having 10 consecutive years in the District and meeting the qualifications necessary to receive a Teachers Retirement System (TRS) pension. (i.e., For those hired prior to January 1, 2011, employees are eligible for normal retirement at age 55 with 35 years of service, age 60 with 10 years of service, or age 62 with 5 years of service. They are eligible for early retirement at age 55 with 20 years of service. For those hired on or after January 1, 2011, employees are eligible for normal retirement at age 67 with 10 years of service. These employees are eligible for early retirement at age 62 with 10 years of service.)

IMRF Eligible Staff (Custodians/Maintenance, School Secretaries, Program Assistants and Educations Support Personnel, and Bus Drivers): Eligible for benefits upon having 10 consecutive years of full-time service in the District immediately prior to retirement and meeting the qualifications necessary to receive an Illinois Municipal Retirement Fund (IMRF) pension. (i.e., For those hired prior to January 1, 2011, employees are eligible for normal retirement at age 60 with 8 years of service and early retirement at age 55 with 8 years of service. For those hired on or after January 1, 2011, employees are eligible for normal retirement at age 67 with 10 years of service and early retirement at age 62 with 10 years of service.)

#### Special Contracts

Certain TRS-eligible staff such as Superintendents and/or Assistant Superintendents, may have individual contracts which allow for different benefit provisions. Currently, there are 4 participants who have retired with lifetime PPO family coverage, fully paid by the District.

Membership in the plan consisted of the following at July 1, 2016, the date of the latest actuarial valuation:

Active Employees	1336
Inactive Employees Entitled to but not yet Receiving Benefits	0
Inactive Employees Currently Receiving Benefits	66
Total	<u>1402</u>

### Contribution

The required contribution is based on projected pay-as-you-go financing requirements. Employees are not required to contribute to the plan.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2017, and the total OPEB liability was determined by an actuarial valuation as of July 1, 2016.

### Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Method	Entry Age Normal																																										
Discount rate	3.13% for determining fiscal 2018 disclosure and estimated fiscal 2019 expense; 2.71% for determining fiscal 2017 liability and fiscal 2018 expense.																																										
Salary Rate Increase	3.00%																																										
Expected long-term investment rate of return	N/A																																										
Health Care Trend	Fiscal Year Trends																																										
	<table><tr><th>Fiscal Year</th><th>Rate</th></tr><tr><td>2018</td><td>7.35%</td></tr><tr><td>2019</td><td>7.20%</td></tr><tr><td>2020</td><td>7.05%</td></tr><tr><td>2021</td><td>6.90%</td></tr><tr><td>2022</td><td>6.75%</td></tr><tr><td>2023</td><td>6.60%</td></tr><tr><td>2024</td><td>6.45%</td></tr><tr><td>2025</td><td>6.30%</td></tr><tr><td>2026</td><td>6.15%</td></tr><tr><td>2027</td><td>6.00%</td></tr><tr><td>2028</td><td>5.85%</td></tr><tr><td>2029</td><td>5.70%</td></tr><tr><td>2030</td><td>5.55%</td></tr><tr><td>2031</td><td>5.40%</td></tr><tr><td>2032</td><td>5.25%</td></tr><tr><td>2033</td><td>5.10%</td></tr><tr><td>2034</td><td>4.95%</td></tr><tr><td>2035</td><td>4.80%</td></tr><tr><td>2036</td><td>4.65%</td></tr><tr><td>2037+</td><td>4.50%</td></tr></table>	Fiscal Year	Rate	2018	7.35%	2019	7.20%	2020	7.05%	2021	6.90%	2022	6.75%	2023	6.60%	2024	6.45%	2025	6.30%	2026	6.15%	2027	6.00%	2028	5.85%	2029	5.70%	2030	5.55%	2031	5.40%	2032	5.25%	2033	5.10%	2034	4.95%	2035	4.80%	2036	4.65%	2037+	4.50%
Fiscal Year	Rate																																										
2018	7.35%																																										
2019	7.20%																																										
2020	7.05%																																										
2021	6.90%																																										
2022	6.75%																																										
2023	6.60%																																										
2024	6.45%																																										
2025	6.30%																																										
2026	6.15%																																										
2027	6.00%																																										
2028	5.85%																																										
2029	5.70%																																										
2030	5.55%																																										
2031	5.40%																																										
2032	5.25%																																										
2033	5.10%																																										
2034	4.95%																																										
2035	4.80%																																										
2036	4.65%																																										
2037+	4.50%																																										
Mortality	RP-2014 Combined Mortality Table backed off to 2006 and projected generationally with Scale MP-2017.  Rationale: Most current mortality table and projection scale as issued by the society of Actuaries in 2014 and 2017, respectively.																																										
Disability Rates	None																																										
Marriage Assumption	Actual marital information used for 4 retired participants with special contracts. Husbands are assumed to be three years older than their wives.																																										
Retiree Lapse Rate	None Assumed																																										

There is no long-term expected rate of return on OPEB plan investments because the District does not have a trust dedicated exclusively to the payment of OPEB benefits.

### Discount Rate

The District does not have a dedicated trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

## NOTES TO FINANCIAL STATEMENTS (Continued)

A rate of 3.13% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2018.

### Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2017	\$ 8,234,534	\$ -	\$ 8,234,534
Changes for the year:			
Service Cost	\$ 366,399	\$ -	\$ 366,399
Interest on Total OPEB Liability	219,147		219,147
Assumption Changes	(509,729)	-	(509,729)
Contributions - Employer	-	295,830	(295,830)
Contributions - Employee	95,577	95,577	-
Benefit Payments	(391,407)	(391,407)	-
Net Changes	\$ (220,013)	\$ -	\$ (220,013)
Balances at June 30, 2018	\$ 8,014,521	\$ -	\$ 8,014,521

### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

Plan's Total OPEB Liability/(Asset)		
1% Increase	Valuation Rate	1% Decrease
\$ 7,337,213	\$ 8,014,521	\$ 8,769,707

### Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

Plan's Total OPEB Liability/(Asset)		
Healthcare Cost		
1% Increase	Valuation Rate	1% Decrease
\$ 8,567,621	\$ 8,014,521	\$ 7,550,124

### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the District recognized OPEB expense of \$552,033. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ (476,216)	\$ (476,216)
Total	\$ -	\$ (476,216)	\$ (476,216)

## NOTES TO FINANCIAL STATEMENTS (Continued)

Changes in total OPEB liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB expense over the expected remaining service life of all employees (10.4 years, active) in the postretirement plan.

Amounts reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Year ending June 30	Inflows
2019	\$ (33,513)
2020	(33,513)
2021	(33,513)
2022	(33,513)
2023	(33,513)
Thereafter	(308,651)
	<u>\$ (476,216)</u>

### NOTE 13 - INTERFUND TRANSFERS

The following interfund transfers were made during the year ended June 30, 2018:

Transfer from	Transfer to	Amount
Education Fund	Debt Service Fund	\$ 135,000
Education Fund	Capital Projects Fund	7,000,000
Working Cash Fund	Illinois Municipal Retirement/Social Security Fund	25,000

The transfers were made to cover lease payments, capital projects and other expenses within the funds.

### NOTE 14 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to handle these risks of loss. During fiscal year 2018 there was no significant reduction in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District is also a member of the Illinois Counties Risk Management Trust, a joint risk management pool of public entities and governmental taxing bodies through which workers' compensation coverage is provided.

### NOTE 15 - SELF-INSURANCE

The District self-insures a portion of its employees' health care benefits which provides group medical coverage. A third party administrator has been contracted to manage the plan. Stop loss insurance has been obtained for losses in excess of certain limitations. At June 30, 2018 the liability for unpaid claims was \$361,471. A reconciliation of changes in the aggregate liabilities for claims for the past three years is as follows:

	Fiscal Year Ending June 30		
	2018	2017	2016
Claims Liabilities - Beginning of Year	\$ 326,700	\$ 582,755	\$ 399,244
Incurred Claims	10,241,464	7,930,810	8,342,934
Payments on Claims	(10,206,693)	(8,186,865)	(8,159,423)
Claims Liabilities - End of Year	<u>\$ 361,471</u>	<u>\$ 326,700</u>	<u>\$ 582,755</u>

**NOTE 16 - CONSTRUCTION COMMITMENTS**

The District has numerous summer construction projects and the construction of a new school in progress at June 30, 2018. As of June 30, 2018 the District estimates it will cost \$66,028,230 to complete these projects. The District has paid \$34,808,027 on these contracts as of the end of the fiscal year.

**NOTE 17 - CONTINGENCIES**

The District is involved in litigation regarding the termination of an employee who alleges Breach of Contract, Violation of Whistleblower’s Act, and violation of the Illinois False Claims Act. The maximum possible exposure to the District in the matter is \$350,000 – \$400,000.

**NOTE 18 - LEGAL DEBT LIMITATION**

The Illinois Compiled Statutes limits the amount of indebtedness to 6.9% of the most recent available equalized assessed valuation (EAV) of the District. The District’s legal debt limitation is as follows:

2017 EAV	\$ 663,720,611
Rate	<u>6.90%</u>
Debt Margin	\$ 45,796,722
Current Debt	<u>52,324,122</u>
Remaining Debt Margin	<u><u>\$ (6,527,400)</u></u>

**NOTE 19 - CHANGE IN ACCOUNTING PRINCIPLE**

Effective for the year ended June 30, 2018, the District has implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 85, *Omnibus 2017*. These Statements establish financial reporting standards for postemployment benefits other than pension agreements offered by the District. The Statements also require additional disclosures about the postemployment benefits other than pensions offered by the District (see Note 12).

## SUPPLEMENTAL FINANCIAL INFORMATION

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION  
LIABILITY AND RELATED RATIOS  
JUNE 30, 2018

	6/30/2018*	6/30/2017*	6/30/2016 *	6/30/2015 *
<b>TOTAL PENSION LIABILITY</b>				
Service Cost	\$ 1,779,806	\$ 1,790,907	\$ 1,670,463	\$ 1,752,813
Interest on the Total Pension Liability	5,200,335	5,047,185	4,636,707	4,152,570
Differences Between Expected and Actual Experience	301,469	(2,338,252)	1,329,445	470,745
Changes of Assumptions	(2,309,823)	(185,091)	90,508	2,292,715
Benefit Payments, Including Refunds of Member Contributions	(2,614,148)	(2,280,109)	(2,153,714)	(2,026,216)
Net Change in Total Pension Liability	\$ 2,357,639	\$ 2,034,640	\$ 5,573,409	\$ 6,642,627
Total Pension Liability - Beginning	69,754,975	67,720,335	62,146,926	55,504,299
Total Pension Liability - Ending	\$ 72,112,614	\$ 69,754,975	\$ 67,720,335	\$ 62,146,926
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - Employer	\$ 1,856,362	\$ 1,790,797	\$ 1,769,885	\$ 1,642,699
Contributions - Member	748,800	725,993	733,650	677,940
Net Investment Income	9,951,544	3,921,598	283,944	3,224,456
Benefit Payments, Including Refunds of Member Contributions	(2,614,148)	(2,280,109)	(2,153,714)	(2,026,216)
Other (Net Transfers)	(1,091,272)	(474,658)	(1,046,838)	382,253
Net Change in Plan Fiduciary Net Position	\$ 8,851,286	\$ 3,683,621	\$ (413,073)	\$ 3,901,132
Plan Net Position - Beginning	59,884,404	56,200,783	56,613,856	52,712,724
Plan Net Position - Ending	\$ 68,735,690	\$ 59,884,404	\$ 56,200,783	\$ 56,613,856
District's Net Pension Liability	\$ 3,376,924	\$ 9,870,571	\$ 11,519,552	\$ 5,533,070
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.32%	85.85%	82.99%	91.10%
Covered-Valuation Payroll	\$ 16,619,174	\$ 16,129,751	\$ 16,075,248	\$ 14,746,464
Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll	20.32%	61.19%	71.66%	37.52%

\* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
JUNE 30, 2018

	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
Actuarially-Determined Contribution	\$ 1,856,362	\$ 1,790,402	\$ 1,769,885	\$ 1,616,212
Contributions in relation to Actuarially-Determined Contribution	1,856,362	1,790,797	1,769,885	1,642,699
Contribution deficiency/(excess)	\$ -	\$ (395)	\$ -	\$ (26,487)
Covered-Valuation Payroll	\$ 17,751,538	\$ 16,129,751	\$ 16,075,248	\$ 14,746,464
Contributions as a percentage of Covered-Valuation Payroll	10.46%	11.10%	11.01%	11.14%

**Notes to Schedule:**

**Actuarial Method and Assumptions Used on the Calculation of the 2017 Contribution Rate \***

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

**Actuarial Cost Method:** Aggregate entry age = normal

**Amortization Method:** Level percentage of payroll, closed

**Remaining Amortization Period:** 26-year closed period

**Asset Valuation Method:** 5-year smoothed market; 20% corridor

**Wage Growth:** 3.5%

**Price Inflation:** 2.75%, approximate; No explicit price inflation assumption is used in this valuation.

**Salary Increases:** 3.75% to 14.50%, including inflation

**Investment Rate of Return:** 7.50%

**Retirement Age:** Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.

**Mortality:** RP-2014 Blue Collar Healthy Mortality Table, adjusted to match current IMRF experience. For disabled lives, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

\*Based on Valuation Assumptions used in the December 31, 2015 actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
JUNE 30, 2018

	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
Employer's proportion of the Net Pension Liability	0.0375235%	0.0342378%	0.0378639%	0.0379295%
Employer's proportionate share of the Net Pension Liability	\$ 28,667,257	\$ 27,025,984	\$ 24,804,656	\$ 23,083,233
State's proportionate share of the Net Pension Liability associated with the employer	494,467,001	495,463,269	397,921,498	365,737,172
Total	<u>\$ 523,134,258</u>	<u>\$ 522,489,253</u>	<u>\$ 422,726,154</u>	<u>\$ 388,820,405</u>
Employer's Covered-Employee Payroll	\$ 69,776,490	\$ 62,527,699	\$ 61,457,405	\$ 59,272,037
Employer's proportionate share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	41.08%	43.22%	40.36%	38.94%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	39.30%	36.40%	41.50%	43.00%

\* - The amounts presented were determined as of the prior fiscal-year end

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

**Changes of Assumptions:**

For the 2017 and 2016 measurement year, the assumed investment rate of return was of 7.0%, including an inflation rate of 2.5% and a real return of 4.5%. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.5%, including an inflation rate of 3.0% and a real return of 4.5%. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.5%, including an inflation rate of 3.0% and a real return of 4.5%. However, salary increases were assumed to vary by age.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
JUNE 30, 2018

	<u>6/30/2018 *</u>	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Statutorily-Required Contribution	\$ 1,543,731	\$ 1,324,031	\$ 1,327,116	\$ 1,352,416
Contributions in relation to Statutorily-Required Contribution	<u>1,545,955</u>	<u>1,325,931</u>	<u>1,327,116</u>	<u>1,352,416</u>
Contribution deficiency/(excess)	<u>\$ (2,224)</u>	<u>\$ (1,900)</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered-Employee Payroll	\$ 71,870,463	\$ 62,527,699	\$ 61,457,405	\$ 59,272,037
Contributions as a percentage of Covered-Employee Payroll	2.15%	2.12%	2.16%	2.28%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

\* - This information presented is based on the actuarial valuation performed as of the prior June 30 year end.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS  
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE  
OF THE NET OPEB LIABILITY  
JUNE 30, 2018

Employer's proportion of the Net OPEB Liability	<u>6/30/2018 *</u> 0.2902910%
Employer's proportionate share of the Net OPEB Liability	\$ 75,329,262
State's proportionate share of the Net OPEB Liability associated with the employer	98,926,039
Total	<u>\$ 174,255,301</u>
Employer's Covered Payroll	\$ 69,776,490
Employer's proportionate share of the Net OPEB Liability as a percentage of Covered Payroll	107.96%
OPEB Plan Net Position as a percentage of the Total OPEB Liability	-0.17%

\* - The amounts presented were determined as of the prior fiscal-year end

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

**Changes of Assumptions:**

For the 2017 measurement year, the assumed investment rate of return was 0%, including an inflation rate of 2.75%, and the healthcare cost trend rates used the actual trend. Salary increases include a 3.25% wage inflation.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS  
SCHEDULE OF EMPLOYER CONTRIBUTION  
JUNE 30, 2018

	<u>6/30/2018 *</u>
Statutorily-Required Contribution	\$ 560,917
Contributions in relation to the Statutorily-Required Contribution	<u>560,955</u>
Contribution deficiency/(excess)	<u>\$ (38)</u>
Employer's Covered Payroll	\$ 71,870,463
Contributions as a percentage of Covered Payroll	0.78%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

\* - This information presented is based on the actuarial valuation performed as of the prior June 30 year end.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
OTHER POST-EMPLOYMENT BENEFIT  
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET OPEB  
LIABILITY AND RELATED RATIOS  
JUNE 30, 2018

	<u>6/30/2018</u>
TOTAL OPEB LIABILITY	
Service Cost	\$ 366,399
Interest	219,147
Employee Contributions	95,577
Benefit Payments	(391,407)
Changes in Assumptions	<u>(509,729)</u>
Net Change in Total OPEB Liability	\$ (220,013)
 Total OPEB Liability - Beginning	 <u>8,234,534</u>
Total OPEB Liability - Ending	<u>\$ 8,014,521</u>
 OPEB PLAN FIDUCIARY NET POSITION	
Contributions - Employer	\$ 295,830
Contributions - Member	95,577
Benefit Payments	<u>(391,407)</u>
Net Change in OPEB Plan Net Position	\$ -
 OPEB Plan Net Position - Beginning	 <u>-</u>
OPEB Net Position - Ending	<u>\$ -</u>
 District's Net OPEB Plan Liability	 <u><u>\$ 8,014,521</u></u>
 OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	  0.00%
 Covered-Employee Payroll	 \$ 81,800,049
 Employer's Net OPEB Liability as a Percentage of Covered-Valuation Payroll	  9.80%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
OTHER POST-EMPLOYMENT BENEFIT  
SCHEDULE OF EMPLOYER CONTRIBUTION  
JUNE 30, 2018

	<u>6/30/2018</u>
Actuarially-Determined Contribution	N/A
Contributions in Relation to Actuarially-Determined Contribution	<u>-</u>
Contribution Deficiency/(Excess)	<u>N/A</u>
Covered-Employee Payroll	\$ 87,701,778
Contributions as a Percentage of Covered-Employee Payroll	0.00%

**Notes to Schedule:**

There is no ADC or employer contribution in relation to the ADC, as the total OPEB liabilities are currently an unfunded obligation.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
COMPUTATION OF OPERATING EXPENSE PER PUPIL  
AND PER CAPITA TUITION CHARGE  
FOR THE YEAR ENDED JUNE 30, 2017

<b>OPERATING EXPENSE PER PUPIL</b>			
<b>EXPENDITURES:</b>			
ED	Total Expenditures	\$	125,541,175
O&M	Total Expenditures		10,279,205
DS	2018-		7,699,645
TR	Total Expenditures		4,617,334
MR/SS	Total Expenditures		4,290,627
TORT	Total Expenditures		1,661,506
	<b>Total Expenditures</b>	<b>\$</b>	<b>154,089,492</b>

**LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:**

TR	1412	Regular - Transp Fees from Other Districts (In State)	\$	61,943
ED	1125	Pre-K Programs		1,421,946
ED	1225	Special Education Programs Pre-K		984,860
ED	1600	Summer School Programs		388,784
ED	1911	Regular K-12 Programs - Private Tuition		208,847
ED	1912	Special Education Programs K-12 - Private Tuition		2,620,104
ED	1913	Special Education Programs Pre-K - Tuition		22,409
ED	3000	Community Services		564,496
ED	4000	Total Payments to Other District & Govt Units		615,876
ED	-	Capital Outlay		451,535
ED	-	Non-Capitalized Equipment		2,453,359
O&M	-	Capital Outlay		353,688
O&M	-	Non-Capitalized Equipment		89,029
DS	5300	Debt Service - Payments of Principal on Long-Term Debt		5,038,126
TR	-	Non-Capitalized Equipment		6,733
MR/SS	1125	Pre-K Programs		58,972
MR/SS	1225	Special Education Programs - Pre-K		55,583
MR/SS	1600	Summer School Programs		19,769
MR/SS	3000	Community Services		9,534
		<b>Total Deductions for OEPP Computation</b>	<b>\$</b>	<b>15,425,593</b>
		<b>Total Operating Expenses (Regular K-12)</b>		<b>138,663,899</b>
		<b>9 Mo ADA from the General State Aid Claimable for 2016-2017 and Payable in 2017-2018 (ISBE 54-33, L12)</b>		<b>10,977.29</b>
		<b>Estimated OEPP *</b>	<b>\$</b>	<b>12,631.89</b>

**PER CAPITA TUITION CHARGE**

LESS OFFSETTING RECEIPTS/REVENUES:			
ED	1600	Total Food Service	\$ 445
ED-O&M	1700	Total District/School Activity Income	63,332
ED	1890	Other (Describe & Itemize)	4,097
ED-O&M	1910	Rentals	19,098
ED-O&M-TR	3100	Total Special Education	3,840,466
ED-O&M-MR/SS	3200	Total Career and Technical Education	9,107
ED-MR/SS	3300	Total Bilingual Ed	3,401,249
ED	3360	State Free Lunch & Breakfast	125,609
ED-O&M-TR-MR/SS	3500	Total Transportation	3,698,253
ED-O&M-DS-TR-MR/SS-Tort	3999	Other Restricted Revenue from State Sources	74,964
ED-MR/SS	-	Total Food Service	7,430,479
ED-O&M-TR-MR/SS	-	Total Title I	5,662,630
ED-O&M-TR-MR/SS	-	Total Title IV	17,124
ED-O&M-TR-MR/SS	4620	Fed - Spec Education - IDEA - Flow Through/Low Incidence	2,546,108
ED-O&M-TR-MR/SS	4625	Fed - Spec Education - IDEA - Room & Board	1,816
ED-O&M-DS-TR-MR/SS-Tort	4800	Total ARRA Program Adjustments	1,490,725
ED-TR-MR/SS	4905	Title III - Immigrant Education Program (IEP)	22,597
ED-TR-MR/SS	4909	Title III - English Language Acquisition	812,634
ED-O&M-TR-MR/SS	4932	Title II - Teacher Quality	621,229
ED-O&M-TR-MR/SS	4991	Medicaid Matching Funds - Administrative Outreach	349,968
ED-O&M-TR-MR/SS	4992	Medicaid Matching Funds - Fee-for-Service Program	935,138
ED-TR-MR/SS	3100	Special Education Contribution from EBF Funds	5,120,787
ED-MR/SS	3300	English Learning (Bilingual) Contributions from EBF Funds	4,372,301
Total Deductions for PCTC Computation			\$ 40,620,156
Net Operating Expense for Tuition Computation			98,043,743
Total Depreciation Allowance (from page 27, Col I)			7,455,940
Total Allowance for PCTC Computation			105,499,683
9 Month ADA (from the GSA Claimable for 2016-2017 Payable in 2017-2018)			10,977.29
Total Estimated PCTC *			\$ 9,610.72

Unaudited

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education  
Cicero Public School District No. 99  
Cicero, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited

Cicero Public School District No. 99's

compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cicero Public School District No. 99's major federal programs for the year ended June 30, 2018. Cicero Public School District No. 99's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Cicero Public School District No. 99's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cicero Public School District No. 99's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Cicero Public School District No. 99's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Cicero Public School District No. 99 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

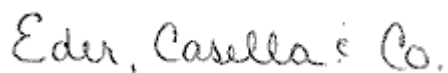
## Report on Internal Control Over Compliance

Management of Cicero Public School District No. 99 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cicero Public School District No. 99's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cicero Public School District No. 99's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
December 5, 2018

**CICERO PUBLIC SCHOOLS NO. 99**  
**06-016-0990-02**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2018**

Federal Grantor/Pass-Through Grantor  Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project #  (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget  (I)
			Year 7/1/16-6/30/17 (C)	Year 7/1/17-6/30/18 (D)	Year 7/1/16-6/30/17 (E)	Year 7/1/16-6/30/17 Pass through to Subrecipients	Year 7/1/17-6/30/18 (F)	Year 7/1/17-6/30/18 Pass through to Subrecipients			
U.S. Department of Agriculture Passed Through											
Food Service Management Company:											
Food Donations Program	10.555	18-4299-00	0	501,157	0	0	501,157	0	0	501,157	N/A
U.S. Department of Agriculture Passed Through											
Illinois State Board of Education:											
National School Lunch Program (2)	10.555	17-4210-00	4,066,701	914,100	4,066,701	0	914,100	0	0	4,980,801	N/A
National School Lunch Program (2)	10.555	18-4210-00	0	4,315,406	0	0	4,367,568	0	0	4,367,568	N/A
School Breakfast Program (2)	10.553	17-4220-00	1,348,262	406,545	1,348,262	0	406,545	0	0	1,754,807	N/A
School Breakfast Program (2)	10.553	18-4220-00	0	1,794,428	0	0	1,831,703	0	0	1,831,703	N/A
Subtotal CFDA "10"			5,414,963	7,931,636	5,414,963	0	8,021,073	0	0	13,436,036	

• (M) Program was audited as a major program as defined by §200.518.

**\*Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

<sup>1</sup> To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

<sup>2</sup> When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

<sup>3</sup> When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

<sup>4</sup> The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

**CICERO PUBLIC SCHOOLS NO. 99**  
**06-016-0990-02**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2018**

Federal Grantor/Pass-Through Grantor  Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project #  (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget  (I)
			Year 7/1/16-6/30/17 (C)	Year 7/1/17-6/30/18 (D)	Year 7/1/16-6/30/17 (E)	Year 7/1/16-6/30/17 Pass through to Subrecipients	Year 7/1/17-6/30/18 (F)	Year 7/1/17-6/30/18 Pass through to Subrecipients			
U.S. Department of Education Passed Through											
Illinois State Board of Education:											
Title I - Low Income (1) (M)	84.010A	17-4300-00	3,519,751	2,375,484	4,069,376	0	1,825,859	0	0	5,895,235	6,336,793
Title I - Low Income (1) (M)	84.010A	18-4300-00	0	3,287,146	0	0	4,106,636	0	1,294,728	5,401,364	6,022,758
Title IV - A Student Support & Academic Enrich (1)	84.424A	18-4400-00	0	17,124	0	0	17,832	0	24,233	42,065	95,179
Special Education - Preschool Grants (M)	84.173A	17-4600-00	17,920	100,223	114,950	0	3,193	0	0	118,143	135,078
Special Education - Preschool Grants (M)	84.173A	18-4600-00	0	65,623	0	0	90,229	0	1,224	91,453	91,453
Special Education - Grants to States (M)	84.027A	17-4620-00	1,700,636	1,082,978	2,499,528	0	284,086	0	0	2,783,614	2,899,908
Special Education - Grants to States (M)	84.027A	18-4620-00	0	1,463,130	0	0	2,244,716	0	176,932	2,421,648	2,721,381
Special Education - IDEA - Room and Board (1) (M)	84.027A	17-4625-XC	0	1,816	0	0	1,816	0	0	1,816	N/A
Title III - Immigrant Education Program (1)	84.365A	17-4905-00	0	22,597	17,854	0	4,743	0	0	22,597	32,239
Title III - Immigrant Education Program (1)	84.365A	18-4905-00	0	0	0	0	10,225	0	6,365	16,590	28,192
Title III - LIIPLEP (1)	84.365A	17-4909-00	281,267	533,127	515,464	0	298,930	0	0	814,394	1,262,277
Title III - LIIPLEP (2)	84.365A	18-4909-00	0	279,507	0	0	805,113	0	29,740	834,853	1,109,323
Title II - Teacher Quality (1)	84.367A	17-4932-00	251,416	275,435	347,441	0	179,410	0	0	526,851	828,312
Title II - Teacher Quality (1)	84.367A	18-4932-00	0	345,794	0	0	523,430	0	95,062	618,492	992,267
Subtotal CFDA "84"			5,770,990	9,849,984	7,564,613	0	10,396,218	0	1,628,284	19,589,115	

• (M) Program was audited as a major program as defined by §200.518.

**\*Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

<sup>1</sup> To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

<sup>2</sup> When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

<sup>3</sup> When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

<sup>4</sup> The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

**CICERO PUBLIC SCHOOLS NO. 99**  
**06-016-0990-02**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2018**

Federal Grantor/Pass-Through Grantor  Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project #  (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget  (I)
			Year 7/1/16-6/30/17 (C)	Year 7/1/17-6/30/18 (D)	Year 7/1/16-6/30/17 (E)	Year 7/1/16-6/30/17 Pass through to Subrecipients	Year 7/1/17-6/30/18 (F)	Year 7/1/17-6/30/18 Pass through to Subrecipients			
U.S. Department of Health & Human Services											
Passed Through Illinois Department of											
Healthcare & Family Services Passed Through											
Northwestern Illinois Associates:											
Medicaid Administrative Outreach	93.778	17-4991-00	324,293	95,320	419,613	0	0	0	0	419,613	N/A
Medicaid Administrative Outreach	93.778	18-4991-00	0	269,230	0	0	407,882	0	0	407,882	N/A
Subtotal CFDA "93"			324,293	364,550	419,613	0	407,882	0	0	827,495	
Total Federal Assistance			11,510,246	18,146,170	13,399,189	0	18,825,173	0	1,628,284	33,852,646	
(1) Project year-end is 8/31											
(2) Project year-end is 9/30											

• (M) Program was audited as a major program as defined by §200.518.

\*Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).

The accompanying notes are an integral part of this schedule.

<sup>1</sup> To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

<sup>2</sup> When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

<sup>3</sup> When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

<sup>4</sup> The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 1 - BASIS OF PRESENTATION**

The Schedule of Expenditures of Federal Awards includes the federal award activity of Cicero Public School District No. 99 under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, and used in the preparation of, the basic financial statements.

**NOTE 2 - SUMMARY OF ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 - INDIRECT COST RATE**

The District has elected not to use the 10 percent de minimis indirect rate as allowed under the Uniform Guidance.

**NOTE 4 - SUBRECIPIENTS**

The District did not provide federal awards to subrecipients during the year ended June 30, 2018.

**NOTE 5 - FEDERAL LOANS**

There were no federal loans or loan guarantees outstanding at year end.

CICERO PUBLIC SCHOOL DISTRICT NO. 99  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2018

1) Summary of auditor's results:

- a) The auditor's report expresses an adverse opinion on whether the financial statements of Cicero Public School District No. 99 were prepared in accordance with GAAP.
- b) No significant deficiencies are reported during the audit of the financial statements. No material weaknesses are reported.
- c) No instances of noncompliance material to the financial statements of Cicero Public School District No. 99, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- d) No significant deficiencies in internal control over major federal award programs are reported during the audit of the financial statements. No material weaknesses in internal control over major federal award programs are reported.
- e) The auditor's report on compliance for the major federal award programs for Cicero Public School District No. 99 expresses an unmodified opinion on all major federal programs.
- f) There are no audit findings that are required to be reported in accordance with Uniform Guidance 2 CFR section 200.516(a).
- g) The programs tested as major programs were: Title I- Low Income (84.010A) and Special Education Cluster (84.173A and 84.027A).
- h) The threshold used for distinguishing between Type A and B programs was \$750,000.
- i) Cicero Public School District No. 99 was determined to not be a low-risk auditee.

**CICERO PUBLIC SCHOOLS NO. 99**  
**06-016-0990-02**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2018**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

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1. FINDING NUMBER:<sup>11</sup>      **2018- N/A**      2. THIS FINDING IS:      ☐ New      ☐ Repeat from Prior Year?  
Year originally reported? \_\_\_\_\_

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3. Criteria or specific requirement

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4. Condition

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5. Context<sup>12</sup>

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6. Effect

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7. Cause

---

8. Recommendation

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9. Management's response<sup>13</sup>

**For ISBE Review**

Date:	_____	Resolution Criteria Code Number	_____
Initials:	_____	Disposition of Questioned Costs Code Letter	_____

<sup>11</sup> A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2014 would be assigned a reference number of 2014-001, 2014-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

<sup>12</sup> Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

<sup>13</sup> See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards for additional guidance on reporting management's response.

CICERO PUBLIC SCHOOLS NO. 99  
06-016-0990-02  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2018

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:<sup>14</sup>      2018- N/A      2. THIS FINDING IS:      ☐ New      ☐ Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

3. Federal Program Name and Year: \_\_\_\_\_

5. CFDA No.: \_\_\_\_\_

6. Passed Through: \_\_\_\_\_  
\_\_\_\_\_

8. Criteria or specific requirement (including statutory, regulatory, or other citation)

9. Condition<sup>15</sup>

10. Questioned Costs<sup>16</sup>

11. Context<sup>17</sup>

12. Effect

13. Cause

14. Recommendation

15. Management's response<sup>18</sup>

**For ISBE Review**

Date: _____	Resolution Criteria Code Number _____
Initials: _____	Disposition of Questioned Costs Code Letter _____

<sup>14</sup> See footnote 11.

<sup>15</sup> Include facts that support the deficiency identified on the audit finding.

<sup>16</sup> Identify questioned costs as required by sections 510(a)(3) and 510 (a) (4) of Circular A-133.

<sup>17</sup> See footnote 12.

<sup>18</sup> To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

**CICERO PUBLIC SCHOOLS NO. 99**  
**06-016-0990-02**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>**  
**Year Ending June 30, 2018**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status<sup>20</sup></u>
2017- 001	There was a lack of supporting documentation for credit card bills.	The District implemented controls which requires an individual with a p-card who does not, or cannot, provide backup documentation for purchases to fill out and sign a form which is then approved and signed by the Superintendent as backup for the purchase.

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When possible, all prior findings should be on the same page

<sup>19</sup> See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

<sup>20</sup> Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.